



CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY

Wednesday, 26 September 2018

10:30a.m. – 1:00p.m.

Kreis Viersen, Shire Hall, Cambridge CB3 0AP

AGENDA

Open to Public and Press

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Key Decision	Pages
	Part 1 – Governance Items			
1.1	Announcements, Apologies and Declarations of Interests	Mayor	Non-key	-
1.2	Minutes – 25 July 2018	Mayor	Non-key	
1.3	Petitions	Mayor	Non-key	-
1.4	Public Questions	Mayor	Non-key	-
1.5	Draft Forward Plan – October 2018	Mayor	Non-key	5-16
1.6	Membership of Combined Authority and Committees - Amendments	Mayor	Non-key	17-19
1.7	Review of Constitution – Committees and Other Related Matters	Mayor	Non-key	20-249
1.8	Audit and Governance Committee – Annual Report and Constitution Review	Chair of Audit and Governance Committee	Non-key	250-266

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Key Decision	Pages
1.9	Overview & Scrutiny Committee – Recommendations	Chair of Overview and Scrutiny Committee	Non-key	267-276
1.10	Government review of LEPs - Strengthened Local Enterprise Partnerships	Mayor and Chair of Business Board	Key	277-307
1.11	Appointment of Interim Chief Finance Officer (s73)	Councillor Steve Count	Non-key	308-309
1.12	Interim Arrangements for Chief Executive	Mayor	Non-key	310-312
	Part 2 – Combined Authority Matters			
2.1	Housing Strategy	Mayor	Key	313-374
2.2	Affordable Housing Programme Cambridge City Council £70m Budget 2018/19	Mayor	Key	375-380
2.3	Public Service Reform: Health and Social Care Proposal	Mayor	Non-key	381-394

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Key Decision	Pages
2.4	Soham Rail Station: Funding for technical work	Mayor	Key	395-412
2.5	Business Rate Pilot	Mayor	Key	413-427
	Part 3 – Business Board matters			
3.1	Business Board Recommendations of the last meeting	Chair of Business Board	Non-key	428-432
3.2	Membership of Business Board	Chair of Business Board	Non-key	433-439
3.3	Cambridgeshire & Peterborough Independent Economic Review	Mayor/Cllr Charles Roberts & Chair of Business Board	Non-key	440-443
3.4	Growth Prospectus 2018/19	Chair of Business Board	Key	444-467
	Part 4 - Motion Submitted under Committee Procedure Rule 14			
	<p>Motion from Councillor Bridget Smith:</p> <p>That the Combined Authority urgently commissions an organisation with suitable expertise to conduct and independent, full organisational review to be reported to the Combined Authority Board and senior officers, and to then be published in full. The review to</p>			-

Number	Agenda Item	Mayor/ Lead Member/ Chief Officer	Key Decision	Pages
	<p>include: delivery objectives for 2018/19; governance, top to bottom staffing, operations and project delivery.</p> <p>It is only by commissioning an outside body to conduct such a review that Board Members, partner organisations and the public gain sufficient assurance as to its impact, independence and transparency.</p> <p><i>(The Monitoring Officer advises that the motion is in order as drafted)</i></p>			
	Part 4 – Date of next meeting			
4.1	<p>Date: Wednesday, 31 October 2018 Council Chamber, Peterborough City Council Town Hall; Bridge Street, Peterborough PE1 1HG</p>	Mayor	oral	-

The Combined Authority currently comprises the following members: Mayor: J Palmer

Councillors: G Bull, S Count, L Herbert, J Holdich, C Roberts, C Seaton and B Smith
Substitute members: Councillors A Bailey, W Fitzgerald, R Fuller, R Hickford, D Oliver, K Price & Aidan Van de Weyer

Observers: J Ablewhite (Police and Crime Commissioner), J Bawden (Clinical Commissioning Group), and Councillor K Reynolds (Chairman - Cambridgeshire and Peterborough Fire Authority)

The Combined Authority is committed to open government and members of the public are welcome to attend Committee meetings. It supports the principle of transparency and encourages filming, recording and taking photographs at meetings that are open to the public. It also welcomes the use of social networking and micro-blogging websites (such as Twitter and Facebook) to communicate with people about what is happening, as it happens.

Public speaking on the agenda items above is encouraged. Speakers must register their wish to speak by making a request in writing to the Democratic Services Manager (Michelle Rowe) no later than 12.00 noon three working days before the day of the meeting. The request must include the name, address and contact details of the person wishing to speak, together with the full text of the question to be asked. For more information about this meeting, please contact Michelle Rowe at the Cambridgeshire County Council's Democratic Services on Cambridge (01223) 699180 or by email at michelle.rowe@cambridgeshire.gov.uk

CAMBRIDGESHIRE & PETERBOROUGH COMBINED AUTHORITY'S FORWARD PLAN OF EXECUTIVE DECISIONS (Draft)

TO BE PUBLISHED: 1 OCTOBER 2018

FORWARD PLAN

KEY DECISIONS

In the period commencing 28 clear days after the date of publication of this Plan, the Cambridgeshire and Peterborough Combined Authority intends to take 'key decisions' where indicated in the table below. Key decisions means a decision of a decision maker, which in the view of the overview and scrutiny committee for a combined authority is likely—

- (i) to result in the combined authority or the mayor incurring significant expenditure, or the making of significant savings, having regard to the combined authority's budget for the service or function to which the decision relates; or
- (ii) to be significant in terms of its effects on persons living or working in an area comprising two or more wards or electoral divisions in the area of the combined authority.

This Plan should be seen as an outline of the proposed decisions for the forthcoming month. Any questions on specific issues included on the Plan should be included on the form which appears at the back of the Plan and submitted to Kim Sawyer, the Monitoring Officer for the Combined Authority. For each decision a public report will be available one week before the decision is taken.

NOTIFICATION OF NON-KEY DECISIONS

For complete transparency relating to the work of the Combined Authority, this Plan also includes an overview of non-key decisions to be taken by the Combined Authority.

You are entitled to view any documents listed on the Plan, or obtain extracts from any documents listed or subsequently submitted to the decision maker prior to the decision being made, subject to any restrictions on disclosure. There is no charge for viewing the documents, although charges may be made for photocopying or postage. Documents listed on the notice and relevant documents subsequently being submitted can be requested from Kim Sawyer, the Monitoring Officer for the Combined Authority.

All decisions will be posted on Cambridgeshire County Council website, or the Combined Authority website, once established. If you wish to make comments or representations regarding the decisions outlined in this Plan, please submit them to Kim Sawyer, the Monitoring Officer for the Combined Authority using the form attached.

DECISION REQUIRED		DECISION MAKER	DATE DECISION EXPECTED	KEY DECISION / DECISION	PURPOSE OF REPORT	CONSULTATION	CONTACT DETAILS / REPORT AUTHORS	LEAD MEMBER	DOCUMENTS RELEVANT TO THE DECISION SUBMITTED TO THE DECISION MAKER (INCLUDING EXEMPT APPENDICES AND REASONS FOR EXEMPTION)
1.	Minutes of the Meeting on 26 September 2018	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
2.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
3.	Review of Constitution – Financial matters	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To agree amendments to the constitution in relation to changes to the scheme of delegation and updates that reflect the impact of the Borrowing, Transport Levy and Business Rate Supplements Orders.	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Mayor James Palmer, , Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
4.	Housing Programme Scheme Approvals	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/004	To consider and approve allocations to new schemes within the CA £100m Affordable Housing Programme	Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing and Chair of Housing and Communities	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
5.	Business Board – Recommendations of meeting held on 24 September	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To ratify the minutes of the Business Board meeting.	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Chair of Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
6.	Growth Hub Progress	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

7.	Local Industrial Strategy development and CaMKCox vision project	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Mayor James Palmer. Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
8.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/024		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
9.	University of Peterborough	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/021		Relevant internal and external stakeholders	Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
10.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To receive a report on the next steps in the devolution of the AEB programme; including deciding on the Business Case for 2019-2022, and relevant strategies and plans	Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
11.	Investment Strategy and Investment Opportunities from CBRE	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/029	To provide an update on the development of the Investment Strategy and the Single Pot Investment Fund	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Director	Councillor Steve Count Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
12.	Transport delivery model options	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/032		Relevant internal and external stakeholders	Chis Twigg, Interim Transport Director	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

13.	A47 Dualling – Options Appraisals Report	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/013	To consider outcomes of the Options Appraisal Report. To consider and approve the costed programme for delivery of activities to Public Consultation and preferred route selection.	Relevant internal and external stakeholders	Chis Twigg, Interim Transport Director	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
14.	A10 Upgrade – Strategic Outline Business Case and Next Steps	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Key Decision 2018/033	To agree to proceed with the A10 Dualling Strategic Outline Business Case and related procurement following the completion of the Strategic Outline Case for the Ely – Cambridge Corridor.	Relevant internal and external stakeholders	Chis Twigg, Interim Transport Director	Mayor James Palmer, Portfolio Holder for Transport Chair of Transport Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
15.	Medium Term Financial Strategy	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To provide an update to the Medium Term Financial Plan that was presented to the Board alongside the 4 year plan at the May 2018 Board meeting	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Director	Councillor Steve Count Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
16.	Budget Monitor Update	Cambridgeshire and Peterborough Combined Authority	31 October 2018	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
17.	Minutes of the Meeting on 31 October 2018	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
18.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
19.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Key Decision 2018/024		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

20.	Business Board – Recommendations of the last meeting	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Key Decision 2018/023	To ratify the minutes of the Business Board meeting.	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
21.	Mayoral Allowance Scheme - Review	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision		Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer		It is not anticipated that there will be any documents other than the report and relevant appendices to be published
22.	Skills Strategy (via Business Board)	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Key Decision 2018/010	To consider and approve a Skills Strategy recommended by the Business Board.	Relevant internal and external stakeholders	Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
23.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To receive a report on the next steps in the devolution of the AEB programme; including the Commissioning Strategy, and relevant strategies and plans	Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
24.	Housing Programme Scheme Approvals	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Key Decision 2018/004		Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
25.	Budget Update	Cambridgeshire and Peterborough Combined Authority	28 November 2018	Decision	To propose the budget setting process and timeline for the 2019/20 budget	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
26.	Minutes of the Meeting on 28 November 2018	Cambridgeshire and Peterborough Combined Authority	19 December 2018	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
27.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	19 December 2018	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

28.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	19 December 2018	Decision	To receive a report on the next steps in the devolution of the AEB programme; including the Monitoring & Evaluation Strategy, and relevant strategies and plans	Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
29.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	19 December 2018	Key Decision 2018/024		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
30.	Housing Scheme Approvals	Cambridgeshire and Peterborough Combined Authority	19 December 2018	Key Decision 2018/004		Relevant internal and external stakeholders	Roger Thompson, Director of Housing and Development	Councillor Charles Roberts, Portfolio Holder for Housing Chair of Housing and Communities Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
31.	Budget Update	Cambridgeshire and Peterborough Combined Authority	19 December 2018	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
32.	Minutes of the Meeting on 19 December 2018	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
33.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
34.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Key Decision 2019/005		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

35.	Business Board Recommendations of the last meeting	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Key Decision 2019/002	To ratify the minutes of the Business Board meeting.	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Chair of Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
36.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision		Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
37.	Budget Report 2019/20 to 2022/23 including Mayor's Budget	Cambridgeshire and Peterborough Combined Authority	Budget Meeting 13 February 2019	Key Decision 2019/001	To recommend the revenue and Mayor's budgets for 2019/20 and the capital budget for 2019/20 to 2022/23 for approval	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
38.	Minutes of the Meeting on 30 January 2019	Cambridgeshire and Peterborough Combined Authority	Budget Meeting 13 February 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
39.	Minutes of the Meeting on 13 February 2019	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
40.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
41.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	27 February 2019	Key Decision 2019/005		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
42.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	30 January 2019	Decision		Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published

43.	Minutes of the Meeting on 27 February 2019	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
44.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
45.	Review of Committees (6 month review)	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To carry out a 6 month review the committees set up in September 2018	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
46.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Key Decision 2019/005		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
47.	Business Board Recommendations of the last meeting	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Key Decision 2019/003	To ratify the minutes of the Business Board meeting	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Chair of Business Board & Councillor	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
48.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision		Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
49.	Budget Update	Cambridgeshire and Peterborough Combined Authority	27 March 2019	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
50.	Minutes of the Meeting on 27 March 2019	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

51.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
52.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Key Decision 2019/005		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
53.	Adult Education Budget Devolution	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision		Relevant internal and external stakeholders	Neil Cuttall, AEBD Programme Manager, Stephen Rosevear Interim Director of Skills	Councillor John Holdich Portfolio Holder for Skills, Chair of Skills Committee	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
54.	Budget Update	Cambridgeshire and Peterborough Combined Authority	24 April 2019	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count, Portfolio Holder for Investment and Finance	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
55.	Minutes of the Meeting on 24 April 2019	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree the minutes from the last meeting	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager		It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
56.	Forward Plan	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To note the latest version of the forward plan	Relevant internal and external stakeholders	Michelle Rowe, Democratic Services Manager	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
57.	Membership of the Combined Authority	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To note any changes to membership following any local elections	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
58.	Appointment of the Overview and Scrutiny Committee	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree any changes to the membership of the committee following constituent council annual meetings and any changes to political balance	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

59.	Appointment of the Audit and Governance Committee	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree any changes to the membership of the committee following constituent council annual meetings and any changes to political balance	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
60.	Calendar of Meetings	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree the calendar of meetings for 2019/2020	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.
61.	Review of Constitution	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To agree any changes to the constitution following the annual review.	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer for Combined Authority	Mayor James Palmer	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
62.	Growth Fund Programme	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Key Decision 2019/005		Relevant internal and external stakeholders	Harriet Fear, Interim Director of Business & Skills	Chair of Business Board & Councillor Charles Roberts, Portfolio Holder for Economic Growth	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
63.	Business Board – Recommendations of the last meeting	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Key Decision 2019/004	To ratify the minutes of the Business Board meeting	Relevant internal and external stakeholders	Kim Sawyer, Legal Counsel and Monitoring Officer	Chair of Business Board	It is not anticipated that there will be any documents other than the report and relevant appendices to be published
64.	Budget Update	Cambridgeshire and Peterborough Combined Authority	Annual Meeting 29 May 2019	Decision	To provide an update on the revenue and capital budgets for the year to date	Relevant internal and external stakeholders	Karl Fenlon Interim Chief Finance Officer	Councillor Steve Count Portfolio Holder for Investment and Finance,	It is not anticipated that there will be any documents other than the report and relevant appendices to be published.

**SUBMIT YOUR COMMENTS OR QUERIES TO
CAMBRIDGESHIRE AND PETERBOROUGH COMBINED
AUTHORITY**

Your comment or query:

How can we contact you with a response?
(please include a telephone number, postal and/or e-mail address)

Name

Address

.....

Tel:

Email:

Who would you like to respond?



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.6
26 SEPTEMBER 2018	PUBLIC REPORT

MEMBERSHIP OF THE COMBINED AUTHORITY AND COMMITTEES - AMENDMENTS

1.0 PURPOSE

- 1.1. The purpose of this report is to advise the Board of amendments to the substitute membership of the Board notified by Cambridge City Council and to agree amendments to the membership of the Overview and Scrutiny Committee.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
<p>The Combined Authority Board is recommended to note:</p> <p>a) the appointment by Cambridge City Council of Councillor Anna Smith as its substitute member on the Combined Authority Board for the remainder of the municipal year 2018/2019</p> <p>b) the appointment by Cambridge City Council of Councillor Dave Baigent as one of its substitute members on the Overview and Scrutiny Committee for the remainder of the municipal year 2018/2019</p>	<p>Voting arrangements</p> <p>No vote is required.</p> <p>(a) Appointment is made by the constituent council.</p> <p>(b) and (c) - the Monitoring Officer has delegated powers to accept these appointments.</p>

c) the appointment by Peterborough City Council of Councillor June Stokes as one of its members on the Overview and Scrutiny Committee for the remainder of the municipal year 2018/19.	
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2.0 BACKGROUND

- 2.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017, each constituent council must appoint one of its elected members and a substitute member to the Combined Authority Board.
- 2.2. The Combined Authority has been advised that Councillor Kevin Price has resigned his position as the City Council's substitute member of the Combined Authority Board.
- 2.3. Cambridge City Council has appointed Councillor Anna Smith as its substitute member for the remainder of the 2018/19 municipal year.
- 2.4. The revised membership is set out in the table below.

Nominating Body	Member	Substitute Member
Constituent Authorities	Leader	
Cambridge City Council	Cllr Lewis Herbert	Cllr Kevin Price Cllr Anna Smith
Cambridgeshire County Council	Cllr Steve Count	Cllr Roger Hickford
East Cambridgeshire District Council	Cllr Charles Roberts	Cllr Anna Bailey
Fenland District Council	Cllr Chris Seaton	Cllr David Oliver
Huntingdonshire District Council	Cllr Graham Bull	Cllr Ryan Fuller
Peterborough City Council	Cllr John Holdich	Cllr Wayne Fitzgerald
South Cambridgeshire District Council	Cllr Bridget Smith	Cllr Aidan Van de Weyer
Business Board		To be advised

Membership of Committees

- 2.5. Cambridge City Council has advised that it has revised its substitute appointment on the Overview and Scrutiny Committee and that Councillor Katie Thornburrow has been replaced by Councillor Dave Baigent.
- 2.6. Peterborough City Council has advised that Councillor David Over has been appointed as the substitute member for the Fire Authority and as a result can no longer sit on the Combined Authority Overview and Scrutiny Committee. At the Peterborough City Council full council meeting held on 25 July it was

decided that Councillor June Stokes would replace Councillor David Over on the Combined Authority Overview and Scrutiny Committee.

- 2.7. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

3.0 FINANCIAL IMPLICATIONS

- 3.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 no remuneration is to be payable by the Combined Authority to its members or substitute members.

4.0 LEGAL IMPLICATIONS

- 4.1. There are no legal comments.

5.0 OTHER IMPLICATIONS

N/A

6.0 APPENDICES

- 6.1. None

<u>Source Documents</u>	<u>Location</u>
Cambridge City Council report and minutes	Cambridge City Council website
Peterborough City Council report and minutes	Peterborough City Council website



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.7
26 SEPTEMBER 2018	PUBLIC REPORT

REVIEW OF CONSTITUTION – COMMITTEE STRUCTURE AND OTHER RELATED MATTERS

1.0 PURPOSE

- 1.1. The Combined Authority is a dynamic organisation, which has considerably increased its scope and budget over the past 12 months. It operates within an equally dynamic economic environment. The recent Cambridgeshire and Peterborough Independent Economic interim report highlighted the fast rate of economic and employment growth in the region, and the importance of planning now to ensure that strong growth will be sustainable and more inclusive.
- 1.2. The impact of working to deliver against this rapid pace of growth means that the Combined Authority will have an increasing level of business over the coming 12 months. It needs a responsive governance framework that allows for decision making outside of the monthly Board meeting. Therefore at its last meeting on 25 July, the Board agreed to establish three committees. This report proposes amendments to the constitution to take account of the Board's decision.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: N/A	Key Decision: No
The Combined Authority Board is recommended to: (a) Approve the amendments to the constitution as set out in Appendix 1 and summarised below.	Voting arrangements (a) At least two-thirds of all Members

<p>(b) Note and agree the Mayor's nominations to portfolios and the membership of the committees including the Chairs of committees as set out in Appendix 2.</p> <p>(c) That the Overview & Scrutiny Committee be advised of the amendments to the constitution to include the Overview & Scrutiny Committee's rights to call in these executive committee decisions.</p> <p>(d) That a 6 month review of the committee process be undertaken and brought back to the Combined Authority Board in March 2019.</p>	<p>(b) and (c) and (d) Simple majority of all Members</p>
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2.0 BACKGROUND

- 2.1. At the last Board meeting, a new system of decision making was agreed through the establishment of three committees. The terms of reference of the Transport and Infrastructure Committee, the Skills Committee and the Housing and Communities Committee were also agreed.
- 2.2. As a result, a number of changes to the constitution are suggested as set out in Appendix 1 and summarised below:

Constitution	Chapter	Change to Constitution
Summary	1 para 7.1-7.2	To include executive committees
	1 para 14.2	To include decisions reserved to executive committees
Mayor of Combined Authority	3 para 1.1 para 1.6 – 1.9 para 3.2	To include Mayor's powers to nominate portfolio responsibilities, membership and chairs of executive committees subject to approval by the Combined Authority Board
Combined Authority Board Functions	4 para 1.6	To include powers of Board to approve the Mayor's nominations to portfolio responsibilities and membership and chairs of executive committees as recommended by the Mayor
	4 para 5.2	To clarify that the appointment to committees including chairs will be upon recommendation of the Mayor.

Constitution	Chapter	Change to Constitution
	4 para 5.3	Clarifies that the political balance rules only apply when members have formed a group
Transport and Infrastructure Committee	8 (NEW)	New Chapter 8 to include terms of reference of Committee
Skills Committee	9 (NEW)	New Chapter 9 to include terms of reference of Committee
Housing and Communities Committee	10 (NEW)	New Chapter 10 to include terms of reference of Committee
Procedure Rules of Executive Committees	11 (NEW)	New Chapter 11 sets our rules for executive committees to include (a) Access to meetings (b) Quorum (c) Appointment of chair and vice chair (d) Voting (e) Minutes and call in of committee decisions
Overview and Scrutiny Committee	13	
	para 9.1	To include power to require members of executive committees to appear before it to answer questions
	Para 13	To include the ability of Overview and Scrutiny Committee to call in key decisions taken by an executive committee. To suspend call in where members of the Board have called in a decision and to enable the Overview and Scrutiny Committee to call in a key decision once the Board have met and either ratified or amended the executive committee's decision.
Portfolio Holders	Appendix 1	Amended as agreed by the Board in July 2018

Membership

- 2.3. Following the Board's approval of the committee structure, terms of reference and the size of the committees, the Mayor has allocated to portfolio responsibilities and members to committees are set out in Appendix 2. The Board is asked to agree these allocations.

Timetable and review

- 2.4. It was agreed that the committees should meet once every two months in October, late November 2018 (due to the Christmas timetable), February and

April 2019. The committees will meet approximately 3 weeks before Board meetings in the first six months.

- 2.5. In order to ensure that the committees are functioning appropriately in this first year of creation, it was agreed that a 6 month review of the committee process will be brought back to Board in March 2019.
- 2.6. This will allow the Board to be satisfied that the new governance structure is performing as expected. Once the committees are established and working effectively the Board and committee timetable can be reviewed.

Other Matters

- 2.7. Other changes have been made to the constitution for the reasons set out below:

Constitution	Chapter	Change to Constitution
Membership of the Combined Authority	2- para 5.5	To reduce time allowed for co-opted members to advise Monitoring Officer of change in name of representative or substitute from 5 to 2 days to improve efficiency
Mayor of Combined Authority	3 New para 1.5.3	To include new Mayoral powers to include the power under Section 11 of the Automated and Electric Vehicle Act 2018 to ask the Secretary of State for Transport to make regulations requiring large fuel retailers and service area operators to provide public charging points and to ensure that public charging points are maintained and easily accessible to the public. New powers as a result of new legislation.
Officer Scheme of Delegation and Proper Officers	17 para 4.13	To confirm delegated authority of the Chief Executive to take decisions up to £500k subject to any decisions being reported to the next Board meeting of the Combined Authority. To clarify delegations to Chief Executive.
Chief Finance Officer	17 5.1 and part 2 para 3.1 and All references to S151 Officer throughout constitution	Amended to S73 to replace S151 throughout constitution. The appointment of a Chief Finance Officer for combined authorities is under S73 of the Local Government Act 1985, and not under S151 of the Local Government Act 1972. The constitution has been changed throughout.
Statutory Framework	Appendix 2	Updated to include new regulations 1. The Bus Services Act 2017 2. The Combined Authorities (Borrowing) Regulations 2018

Constitution	Chapter	Change to Constitution
		3. The Transport Levying Bodies (Amendment) Regulations 2018 4. The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018 5. The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018 6. Automated and Electric Vehicle Act 2018

3.0 FINANCIAL IMPLICATIONS

- 3.1. In accordance with the Cambridgeshire and Peterborough Combined Authority Order 2017 no remuneration is to be payable by the Combined Authority to its members.

4.0 LEGAL IMPLICATIONS

- 4.1. The responsibilities of portfolio holders are set out in Chapter 4 paragraph 3 of the Constitution.
- 4.2. The legal implications are set out in this report.

5.0 SIGNIFICANT IMPLICATIONS

- 5.1. There are no additional implications in this report.

6.0 APPENDICES

- 6.1. Appendix 1 – Amendments to Constitution
- 6.2. Appendix 2 – Portfolio Responsibilities and membership - allocations

<u>Source Documents</u>	<u>Location</u>
Report and decisions of the Board dated 25 July 2018	http://cambridgeshirepeterborough-ca.gov.uk/meetings/cambridgeshire-and-peterborough-combined-authority-board-3/



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

Cambridgeshire and Peterborough Combined Authority

The Constitution

Contents

Chapter 1 - Summary.....	14
Chapter 2 – The Membership of the Combined Authority.....	82
Chapter 3 - The Mayor of the Combined Authority	126
Chapter 4 - Combined Authority Board Functions	1614
Chapter 5 - Proceedings of Meetings	2015
Chapter 6 - Transparency Rules, Forward Plan and Key Decisions	3429
Chapter 7 - Budget Framework Procedure Rules.....	4439
Chapter 8 - Transport and Infrastructure Committee	5045
Chapter 9 - Skills Committee.....	5449
Chapter 10 - Housing and Communities Committee	5853
Chapter 11 - Procedure rules of Executive Committee meetings	6156
Chapter 12 - Employment Committee	6459
Chapter 13 - Overview and Scrutiny Committee.....	6664
Chapter 14 - Audit and Governance Committee.....	7772
Chapter 15 - Financial Management Procedure Rules	8479
Chapter 16 - Contract Procedure Rules	10297
Chapter 17 - Officer Scheme of Delegation and Proper Officers	145140
Chapter 18 - Officer Employment Procedure Rules.....	157152
Chapter 19 - Member Code of Conduct and Complaints Procedure.....	161156
Appendix 1 - Portfolio Holders.....	177173
Appendix 2 - Working Groups	182178
Appendix 3 - Co-opted Members	184180
Appendix 4 - Independent Economic Commission	185181
Appendix 5 - Business Board	189185
Appendix 6 - The Statutory Framework.....	201196
Appendix 7 - Glossary.....	217212

[Cambridgeshire and Peterborough Combined Authority Order 2017](#)

Version Control

Version 1	31 May 2017	Constitution approved by Board
Version 2	28 January 2018	Updated to take account of board decisions since May
Version 3	30 May 2018	Annual Review of constitution
Version 4	25 July 2018	Updated to include revised portfolios
<u>Version 5</u>	<u>26 September 2018</u>	<u>Updated to include executive committees and other matters</u>

Chapter 3 – The Mayor of the Combined Authority

Chapter 1 - Summary

1. Introduction

- 1.1. On 3 March 2017, Cambridgeshire and Peterborough Combined Authority was established as a Mayoral Combined Authority for the Cambridgeshire and Peterborough area. (It is a corporate body and can be referred to as the Combined Authority).
- 1.2. It is made up of a directly elected Mayor and the following seven local authorities (referred to as the Constituent Councils) and the Business Board (Local Enterprise Partnership):
 - Cambridge City Council;
 - Cambridgeshire County Council;
 - East Cambridgeshire District Council;
 - Fenland District Council;
 - Huntingdonshire District Council;
 - Peterborough City Council; and
 - South Cambridgeshire District Council.
- 1.3. The Combined Authority will work with local councils, the Business Board (Local Enterprise Partnership), local public services, Government departments and agencies, universities and business to grow the local and national economy.

2. The Constitution

- 2.1. This Constitution sets out how we work, how we make decisions, and the procedures we follow to make sure our work is efficient, and effective, and is both transparent and accountable to local people. Some of these procedures are set by law, while others are ones we have chosen to follow.

3. The Cambridgeshire and Peterborough Combined Authority Order 2017

- 3.1. The Combined Authority was set up by the [Cambridgeshire and Peterborough Combined Authority Order 2017](#) for the Peterborough and Cambridgeshire area.

Chapter 3 – The Mayor of the Combined Authority

4. Members of the Combined Authority

4.1. The Combined Authority consists of the following Members:

- (a) a directly elected Mayor;
- (b) an elected Member appointed by each of the Constituent Councils;
- (c) a representative of the Business Board (Local Enterprise Partnership); and
- (d) Non-Constituent Members (non-voting) as may be admitted to the Combined Authority from time to time.

5. Combined Authority

5.1. The Combined Authority is responsible for a number of transport, economic development and regeneration functions as set out in Parts 3 and 4 of the 2017 [Order](#).

5.2. Those functions reserved to the Combined Authority Board are set out in

5.3.

5.2:5.4. [Chapter 4 - Combined Authority Board Functions](#) of this Constitution, and those reserved to the Mayor as set out in [Chapter 3 - The Mayor of the Combined Authority](#).

6. Combined Authority Board - Meetings and Procedure

6.1. The Combined Authority Members shall comprise the Board. The Board will meet in accordance with the calendar of meetings as approved by the Board from time to time.

6.2. There are three types of meeting:

- (a) The Annual Meeting;
- (b) Ordinary meetings; and
- (c) Extraordinary meetings.

6.3. All meetings will be conducted in accordance with the Proceedings of Meetings in [Chapter 5 - Proceedings of Meetings](#) of this Constitution.

6.4. The Board may invite co-opted members to sit on the Board as set out in [Chapter 2 – The Membership of the Combined Authority](#) of this Constitution. Co-opted members may attend board meetings.

Chapter 1 – Summary

7. Executive Bodies

7.1. The Combined Authority may establish committees or sub-committees as it thinks fit to discharge its functions. The Combined Authority has established three executive committees:

- (a) Transport and Infrastructure Committee
- (b) Skills Committee
- (c) Housing and Communities Committee

7.2. Their functions and terms of reference are set out [Chapters 8, 9 and 10](#) and the procedure rules are set out in [Chapter 11 - Procedure rules of Executive Committee meetings](#)~~Chapter 11 – Procedure rules of Executive Committee meetings.~~

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8. Working Groups

8.1. The Combined Authority may establish informal non-decision making working groups to assist with the delivery of its objectives. These are set out in [Appendix 2 - Working Groups](#)~~Appendix 2 – Working Groups~~ to the constitution.

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9. Joint Arrangements

9.1. The Combined Authority has the power to make arrangements with other local authorities to discharge its functions jointly.

9.2. Such arrangements may involve the discharge of those functions by a joint committee of such authorities or by an officer of one of them.

9.3. The Combined Authority may not arrange for the discharge of any Mayoral functions by a joint committee, unless permitted by legislation.

10. Non-Executive Committees

10.1. The Combined Authority is required to establish the following non-executive Committees:

- (a) an Overview and Scrutiny Committee;
- (b) an Audit and Governance Committee.

10.2. Their functions and terms of reference are set out in [Chapter 13 - Overview and Scrutiny Committee](#)~~Chapter 13 – Overview and Scrutiny Committee~~ and

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Chapter 1 – Summary

[Chapter 14 - Audit and Governance Committee](#)
[Chapter 14 – Audit and Governance Committee](#)

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11. Independent Economic Commission

- 11.1. The Combined Authority has established an Independent Economic Commission. The Independent Economic Commission exists to:
- (a) develop a robust evidence base on Cambridgeshire and Peterborough's economic performance and potential that:
 - (i) is objective and independent of any specific partner;
 - (ii) commands attention and buy-in at the highest levels of Government; and
 - (iii) demonstrates the potential for growth in multi-centred economies across the area.
 - (b) provide objective and independent advice to the Combined Authority, GCGP EP Board:
 - (i) on the economic impact of key decisions and investment programmes; and
 - (ii) long-term drivers of growth across the Cambridgeshire and Peterborough economy.
 - (c) help to influence decisions taken at national level, drawing on commissioners' connections and networks to improve partners' access to opinion formers and decision-makers.
- 11.2. Its terms of reference are set out in [Appendix 4 - Independent Economic Commission](#)
[Appendix 4 – Independent Economic Commission](#).

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12. Business Board

- 12.1. The Business Board is the Local Enterprise Partnership for its area and is a non-statutory body.
- 12.2. It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 12.3. The Combined Authority is the accountable body for funding awarded to the Local Enterprise Partnership.

Chapter 1 – Summary

- 12.4. Its terms of reference and governance arrangements are set out in [Appendix 5 - Business Board](#).

13. Management Structure

Statutory Officers

- 13.1. The Combined Authority will appoint a:

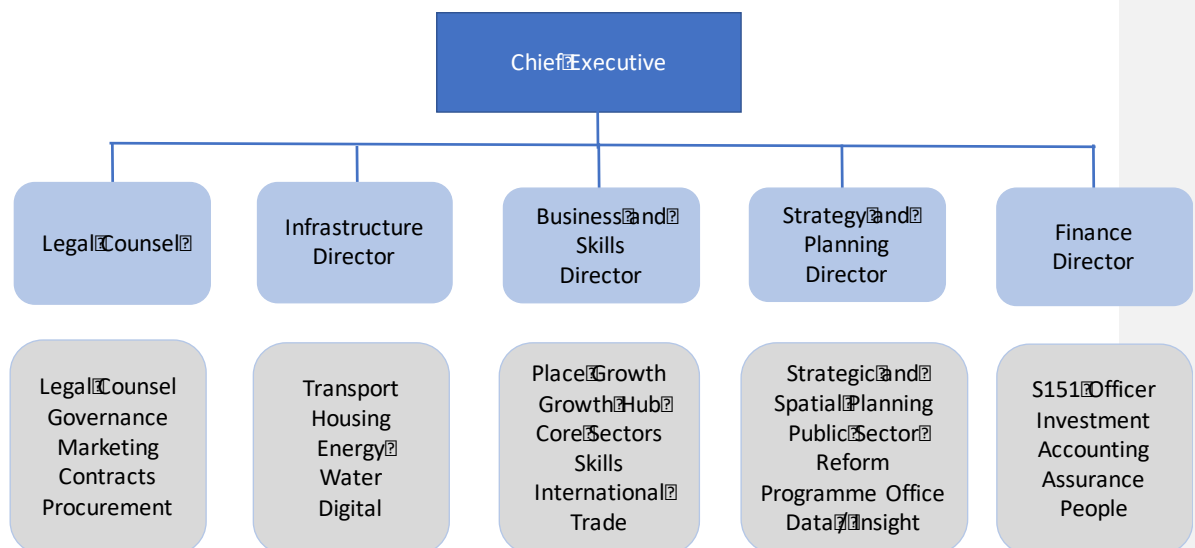
- (a) Head of Paid Service (known as Chief Executive);
- (b) Monitoring Officer;
- (c) Chief Finance Officer (~~S151~~[S73](#));
- (d) Scrutiny Officer.

- 13.2. Their functions and responsibilities are set out in [Chapter 17 - Officer Scheme of Delegation and Proper Officers](#).

Other Chief Officers

- 13.3. The Combined Authority will appoint other Chief Officers it considers necessary to carry out its functions in accordance with the [Officer Employment Procedure rules](#).

- 13.4. The current structure as at 28 February 2018 is set out below:



- 13.5. The Mayor has also appointed a Mayoral Adviser and Chief of Staff.

Chapter 1 – Summary

Other Staff

- 13.6. The Combined Authority may engage such staff (referred to as Officers), as it considers necessary to carry out its functions.

14. Decision Making

- 14.1. Decision making will be in accordance with the arrangements set out in this Constitution.

- 14.2. In summary, they will include

- (a) decisions reserved to the Combined Authority Board;
- (b) decisions reserved to the Mayor;
- ~~(b)(c)~~ decisions reserved to executive committees;
- ~~(c)(d)~~ decisions made by Officers.

15. Finance, Contracts and Legal Matters

- 15.1. The management of the Combined Authority's financial affairs will be conducted in accordance with the Financial Regulations set out in [Chapter 15 - Financial Management Procedure Rules](#)Chapter 15 – Financial Management Procedure Rules.

- 15.2. The management of its legal affairs will be conducted in accordance with this Constitution.

16. Public Rights

- 16.1. The rights of the public are set out in the Transparency Rules, Forward Plan and Key Decision [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)Chapter 6 – Transparency Rules, Forward Plan and Key Decisions.

- 16.2. Any public enquiries should be addressed to the Chief Executive at the Combined Authority Offices.

17. Monitoring and Reviewing the Constitution

- 17.1. The Monitoring Officer will regularly monitor and review the operation of the Constitution.

Chapter 1 – Summary

- 17.2. The Chief Finance Officer shall be responsible for monitoring and keeping under review the Financial Regulations set out in the Constitution.
- 17.3. It is the responsibility of the Combined Authority Board to review the Constitution annually.

18. Changes to the Constitution

- 18.1. The Constitution will be amended as the Combined Authority develops.
- 18.2. Changes to the Constitution will be agreed by the Combined Authority Board in accordance with the voting arrangements as set out in [Chapter 5 - Proceedings of Meetings](#) unless in the reasonable opinion of the Monitoring Officer a change is required in the circumstances set out in his/her delegated powers. ([Chapter 17 - Officer Scheme of Delegation and Proper Officers](#))

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Chapter 2 – The Membership of the Combined Authority

1. Directly Elected Mayor

- 1.1. The [Cambridgeshire and Peterborough Combined Authority Order 2017](#) creates the office of a directly elected Mayor for the area of the Combined Authority.
- 1.2. The first election of the Mayor took place in May 2017 and the term of office shall be four years.
- 1.3. Each subsequent election shall take place in each fourth year following the first election on the same day of an ordinary election.

2. Constituent Councils

- 2.1. Each of the Constituent Councils shall appoint a Member (usually its Leader) to be a Member of the Combined Authority and another Member to act in the absence of the appointed Member (the Substitute Member). All appointments shall be for a one year term.
- 2.2. A person will cease to be a Member or a Substitute Member of the Combined Authority if they cease to be a Member of the Constituent Councils that appointed them. The Constituent Councils shall appoint or nominate a replacement as soon as possible.
- 2.3. A Member or Substitute Member may resign by giving written notice to the Proper Officer of their Constituent Council, and the resignation takes effect on the receipt of the notice. The relevant Constituent Council shall notify the Combined Authority forthwith of the resignation.
- 2.4. Each Constituent Council shall at any time be entitled to terminate the appointment of a Member or Substitute Member appointed to the Combined Authority and replace that Member or Substitute Member.
- 2.5. The Constituent Council must give written notice of the new appointment and the termination of the previous appointment to the Combined Authority. The new appointment shall take effect and the previous appointment terminate at the end of fourteen days from the date on which the notice was given, or such longer period not exceeding one month.

Chapter 2 – The Membership of the Combined Authority

3. Business Board (Local Enterprise Partnership)

- 3.1. The Business Board will nominate one of its Members, normally the Chair, to be a Member of the Combined Authority and another Member to act in the absence of the appointed Member (the Substitute Member).
- 3.2. The Combined Authority will consider the nomination and appoint the Business Board Member and the Business Board Substitute Member. Each appointment shall be for a one year term.
- 3.3. A person will cease to be a Member or a Substitute Member of the Combined Authority if they cease to be a Member of the Business Board that nominated them. The Business Board shall appoint or nominate a replacement as soon as possible.
- 3.4. A Member or Substitute Member may resign by giving written notice to the Chair or Vice-Chair of the Business Board, and the resignation takes effect on the receipt of the notice. The Business Board shall notify the Combined Authority forthwith of the resignation.
- 3.5. Where the Business Board terminates an appointment and nominates another of its Members in that person's place, it must give written notice of the new nomination and the termination of the previous appointment to the Combined Authority.
- 3.6. The Combined Authority must consider the appointment of the nominated Business Board Member at the next meeting of the Combined Authority. The new appointment shall take effect and the previous appointment terminate upon the determination of the appointment by the Combined Authority.

4. Non-Constituent Members

- 4.1. The Combined Authority may invite Non-Constituent Councils to be Non-Constituent Members of the Combined Authority. Non-Constituent Members are neighbouring local authorities who have been invited to join the Combined Authority but they are not full Members. Non-Constituent Members may be invited to sit on Working Groups.
- 4.2. All decisions on admission of Non-Constituent Councils shall be made formally by proposal and report at a Combined Authority Board meeting.
- 4.3. A proposal for an authority to be given non-constituent council status may be made by any Constituent Council Member or the Mayor, and must be agreed by a two thirds majority of those present and voting. Non-Constituent Council

Chapter 2 – The Membership of the Combined Authority

status takes effect upon agreement by the Board. This will be an annual appointment and will be reviewed at each annual meeting of the Board.

- 4.4. Non-Constituent Council status confers no legal status and no entitlement to vote and is a formal arrangement to promote a strategic approach to joint working in the development of significant policy issues.
- 4.5. A Non-Constituent Council shall be represented at meetings of the Combined Authority by a named Member or a named Substitute to be approved by the Board.
- 4.6. Such Member or Substitute Member may participate in the debate on issues relevant to their organisation on agenda items and must comply with the terms of the Constitution as they relate to debate, but will not have entitlement to vote on any issue or agenda item.
- 4.7. The Chair of any meeting of the Combined Authority may require the Member or Substitute to absent themselves from any meeting of the Combined Authority at the Chair's discretion.

5. Co-opted Members

- 5.1. The Combined Authority may invite organisations with direct responsibility for functions relevant to the Combined Authority objectives to become Co-opted Members to attend the Combined Authority Board and may take part in the debate. All decisions on Co-opted Members shall be made formally by proposal and report at a Combined Authority Board meeting.
- 5.2. A proposal for an authority to be given Co-opted Member status may be made by any Constituent Council Member or the Mayor and must be agreed by a two thirds majority of those present and voting. Co-opted Member status takes effect upon agreement by the Board.
- 5.3. Co-opted Members appointed to the Board are listed in [Appendix 3 - Co-opted Members](#) to this Constitution.
- 5.4. Co-opted Member status confers no legal status and no entitlement to vote and is an informal arrangement to promote a strategic approach to joint working in the development of significant policy issues.
- 5.5. A co-opted member organisation shall be represented at meetings of the Combined Authority Board by a named representative or a named Substitute. Notice of the names of the Co-opted Members' representative or Substitute must be provided to the Monitoring Officer by the Co-opted Member

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Chapter 2 – The Membership of the Combined Authority

organisation at least two ~~five~~ working days prior to attendance at any meeting of the Board.

- 5.6. Such representative or substitute may participate in the debate on issues relevant to their organisation and must comply with the terms of the Constitution as they relate to debate, but they will not have entitlement to vote on any issue or agenda item.
- 5.7. The Chair of any meeting of the Combined Authority may require the Co-opted Members' named representative or named substitute to absent themselves from any meeting of the Combined Authority at the Chair's discretion.

Chapter 3 – The Mayor of the Combined Authority

Chapter 3 - The Mayor of the Combined Authority

1. Role and Functions reserved to the Mayor

- 1.1. The Mayor and the other Members of the Combined Authority will work closely together. Specifically:
 - (a) the Mayor will provide overall leadership and chair Combined Authority Board meetings;
 - (b) the Mayor may ~~allocate~~ nominate portfolio responsibilities, the membership and chairs of executive committees to each member of the seven Constituent Councils who will act in a supporting and advisory function to the Mayor and Combined Authority for their respective policy areas (see para 1.6 below); and
 - (c) the Mayor will also be a member of the Business Board recognising the importance of the Business Board 's role and the private sector in any growth strategies or delivery for the Combined Authority area.
- 1.2. The Mayor will by virtue of holding office be a Member and the Chair of the Combined Authority Board.
- 1.3. The Mayor must appoint a statutory Deputy Mayor of the Combined Authority. The role of the statutory Deputy Mayor is set out in paragraph 2 below. The Mayor may also appoint a non-statutory Deputy Mayor and the role of the non-statutory Deputy Mayor is set out in paragraph 2 below.

General functions of Mayor

- 1.4. The Mayor will exercise the following general function:
 - 1.4.1. The Mayor may pay a grant to Cambridgeshire County Council and Peterborough City Council to meet expenditure incurred by them as highways authorities. The Mayor must exercise this function under section 31 Local Government Act 2003 concurrently with a Minister of the Crown.
 - 1.4.2. Prior to the payment of the grant the Mayor must consult the Combined Authority.
 - 1.4.3. Members and officers of the Combined Authority may assist the

Chapter 3 – The Mayor of the Combined Authority

Mayor in the exercise of the function to pay grant.

Powers of Mayor

1.5. The Mayor may exercise a general power of competence (section 1 Localism Act 2011) to do anything that the Combined Authority may do

1.5.1. Where the general power of competence:

(a) involves the transfer of property, rights or liabilities of the Combined Authority to or from the Constituent Councils, or

(b) is used to prepare and publish a statement setting out a strategy for spatial development in the Combined Authority area,

the Mayor must secure the unanimous consent of all Members of the Combined Authority, or Substitute Members acting in their place.

1.5.2 The Mayor may otherwise individually exercise a general power of competence to do anything that the Combined Authority may do subject to the restrictions which apply to the exercise of that power and after having due regard to advice from the Monitoring Officer and Chief Finance Officers.

1.5.3 The Mayor may exercise his/her power to ask the Secretary of State for Transport to make regulations under Section 11 of the Automated and Electric Vehicle Act 2018 requiring large fuel retailers and service area operators to provide public charging points and to ensure that public charging points are maintained and easily accessible to the public.

The power would be limited to large fuel retailers in the area within their authority.

Nominations to Portfolio Responsibilities and to Executive Committees

1.6. The Mayor and the Combined Authority Board shall agree portfolio responsibilities in respect of the Combined Authority functions.

1.7. The Mayor shall nominate the agreed portfolio responsibilities and membership (including the chair) of any executive committees to any member of the seven Constituent Councils. Board members nominated to an executive committee may nominate their substitute member on the Board or another member from a constituent council to be a member of the

Chapter 3 – The Mayor of the Combined Authority

committee. The Board member shall also nominate a named substitute member.

1.8. The nominations to portfolio responsibilities and the nominated membership and chairs of any executive committees shall be reported to the Combined Authority Board for formal approval by a simple majority vote which must include the Mayor.

1.9. Portfolio responsibilities are set out in [Appendix 1 - Portfolio Holders](#).

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Mayor's budget and spending plans

4.6.1.10. The Mayor must also set a budget and consult the Combined Authority Board on his/her spending plans and draft budget in accordance with the Budget Framework Procedure Rules. ([Chapter 7 - Budget Framework Procedure Rules](#))

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4.7.1.11. Any Mayoral budget, strategies and spending plans must be approved by the Combined Authority Board in accordance with the special voting rules.

Deputy Mayor

4.8.1.12. The Mayor must appoint one Member of the Combined Authority to hold the statutory functions as Deputy Mayor. This statutory Deputy Mayor shall:

- (a) hold office until the end of the term of office of the Mayor;
- (b) cease to be statutory Deputy Mayor if at any time the Mayor removes him or her from office, he or she resigns as Deputy Mayor or ceases to be a Member of the Combined Authority;
- (c) act in the place of the Mayor if for any reason the Mayor is unable to act or the office of Mayor is vacant.

4.9.1.13. If a vacancy arises in the office of statutory Deputy Mayor, the Mayor shall immediately appoint another Member of the Combined Authority to be the statutory Deputy Mayor.

4.10.1.14. If the Mayor is unable to act or the office of Mayor is vacant; and the

Chapter 3 – The Mayor of the Combined Authority

statutory Deputy Mayor is unable to act, the Monitoring Officer shall call a meeting of the Combined Authority Board to take decisions, by simple majority, in the absence of the Mayor.

4.11.1.15. For reasons of good governance, the Mayor may appoint a second non-statutory Deputy Mayor from amongst the Constituent Council members as he/she thinks appropriate.

4.12.1.16. The non-statutory Deputy Mayor shall preside over any meeting of the Combined Authority called to make decisions in the absence of the Mayor and statutory Deputy Mayor.

4.13.1.17. Should the statutory Deputy Mayor be appointed as Chair of the Combined Authority in the absence of the Mayor, the non-statutory Deputy Mayor shall be appointed as the Vice-Chair.

2. Delegation of Functions reserved to the Mayor

2.1. The Mayor may arrange for:

- (a) the statutory Deputy Mayor to exercise any general function of the Mayor; or
- (b) another Member or officer of the Combined Authority to exercise any such function.

2.2. The Mayor shall produce a scheme of delegation for any delegated functions.

2.3. The financing of a Mayoral Combined Authority can be met from precepts by the Combined Authority (section 107G, 2009 Act). However, the Mayor has no power to borrow money (section 107D(8), 2009 Act).

3. Mayoral Decisions

3.1. Any Mayoral decisions will be made in accordance with the Constitution including the Transparency Rules, Forward Plan and Key Decisions. [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)

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Chapter 4 - Combined Authority Board Functions

1. Functions reserved to the Board

1.1. The following functions are reserved to the Combined Authority Board:

Strategies and Plans

1.2. The adoption of, and any amendment to or withdrawal of the following plans and strategies:

- (a) Cambridgeshire & Peterborough 2030 and 4 year plan
- (b) Local Industrial Strategy
- (c) Local Transport Plan
- (d) Bus Strategy;
- (e) Skills Strategy;
- (f) Housing Strategy;
- (g) Investment Strategy;
- (h) Delivery Plan;
- (i) Non-Statutory Strategic Spatial Plan
- (j) Market Town Masterplans for Growth
- (k) Rural Strategy
- (l) Other strategies and plans as agreed.

Frameworks

1.3. The adoption of, and any amendment to or withdrawal of the following framework documents:

- (a) Assurance Framework;
- (b) Programme Management Framework;
- (c) Prioritisation Framework;
- (d) Monitoring & Evaluation Framework;
- (e) Equality Framework.

Financial Matters

1.4. The adoption of, and any amendment to or withdrawal of the following financial documents:

- (a) The non-mayoral Combined Authority budget;

Chapter 5 -- Proceedings of Meetings

- (b) Any spending plans or plans for the allocation of transport-related funding;
- (c) Treasury Management Strategy including approval of borrowing limits;
- (d) Capital Investment Strategy;
- (e) Single Investment Fund Allocation;
- (f) Fiscal Strategy.

1.5. In relation to the Mayor's General Budget:

- (a) The approval of the draft budget (or revised draft budget) or
- (b) The decision to veto the draft budget (or revised draft budget) and approval of the Mayor's draft budget incorporating the Combined Authority Board's recommendation as the relevant amounts and calculations

in accordance with the Budget Framework Procedure Rules ([Chapter 7 - Budget Framework Procedure Rules](#)).

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Governance

1.6. Decisions related to:

- (a) Adoption and amendment of the Constitution;
- (b) Establishment and membership of Committees and Sub-Committees;
- (c) Establishment and membership of Joint Committees and Commissions;
- (d) Approve the nomination of portfolio responsibilities and membership and chairs of executive committees and sub-committees recommended by the Mayor;
- (e) Approval of Mayoral Allowance;
- (f) Appointment of an Independent Person of the Audit and Governance Committee;
- (g) Appointment of Statutory Officers;
- (h) Any other matters reserved to the Board.

1.7. The Combined Authority shall exercise the general power of competence in relation to any of its functions after having due regard to the advice of the Monitoring Officer and Chief Finance Officer.

2. Membership of the Board

2.1. The Combined Authority Board consists of the Members as set out below:

Chapter 5 -- Proceedings of Meetings

- (a) An elected Member appointed by each of the Constituent Authorities or Substitute Members acting in their place;
 - (b) A Representative of the Business Board or Substitute Members acting in their place;
 - (c) Non-Constituent Members (non-voting) as may be admitted to the Combined Authority from time to time;
 - (d) Co-opted Members (non-voting) invited to attend who shall be present to contribute on issues related to the organisation they represent.
- 2.2. If a Member fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the authority, then, subject to certain exceptions, they cease to be a Member of the Authority.

3. Functions of the Combined Authority

- 3.1. The functions of the Combined Authority are grouped into portfolios, allocated to each Constituent Council Member of the Combined Authority and include the following responsibilities:-
- (a) To lead and champion their allocated portfolio functions;
 - (b) To lead on the development of key strategic documents for approval by the Combined Authority;
 - (c) To develop and present investment proposals to the Combined Authority;
 - (d) To communicate with the public on matters within their portfolios and to be accountable for their portfolio areas;
 - (e) To input into future devolution proposals and public sector reform;
 - (f) To liaise with Members holding similar portfolios within the Constituent Councils.

- 3.2. The Portfolios are set out in [Appendix 1 - Portfolio Holders](#)~~Appendix 1 – Portfolio Holders~~.

4. Executive Bodies

- 4.1. The Combined Authority Board has the power to delegate its functions, which are not reserved to it, to Committees, Sub-Committees, Officers, Joint Committees or other Local Authorities.

5. Working Groups

- 5.1. The Combined Authority may establish informal working groups. These groups are non-decision making groups of Officers and Members. The

Chapter 5 -- Proceedings of Meetings

Working Groups established are set out in [Appendix 2 - Working Groups](#).

Membership

- 5.2. The Combined Authority shall appoint the membership of all executive committees, sub-committees, joint committees and working groups, including the appointment of the Chair and Vice-Chair, Substitute Members and any Co-opted Members. In accordance with Chapter 3, 22 the Mayor shall nominate allocate the membership and chairs of any executive committees to each member of the seven Constituent Councils.
- 5.3. The political balance rules apply to all committees, sub-committees and joint committees where political groups are formed.

Quorum

- 5.4. The quorum for all committees, sub-committees and working groups is at least two-thirds of the total number of Members and may be no fewer than three Members.

Access to meetings

- 5.5. The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees. (

Chapter 4 – Combined Authority Board Functions

~~5.5.5.6. Chapter 6 - Transparency Rules, Forward Plan and Key Decisions~~
~~Chapter 6 - Transparency Rules, Forward Plan and Key Decisions~~). They do not apply to Working Groups.

Chapter 5 - Proceedings of Meetings

1. Introduction

- 1.1. These rules apply to Combined Authority Board meetings and, where appropriate to any committees or sub-committees of the Board.

2. Types of Meetings

- 2.1. There are three types of meeting:
- (a) The Annual Meeting of the Combined Authority;
 - (b) Ordinary meetings;
 - (c) Extraordinary meetings.

3. Annual Meeting

- 3.1. The Combined Authority will normally hold an Annual Meeting (between 1 March and 30 June) following Constituent Councils' Annual Meetings.
- 3.2. The Annual Meeting will:
- (i) note the appointment of Members of Constituent Councils and the Business Board (and their Substitute Members);
 - (ii) receive any declarations of interest from Members;
 - (iii) approve minutes of the last meeting;
 - (iv) appoint any Non-Constituent Members or Co-opted Members;
 - (v) approve the portfolios responsibilities;
 - (vi) appoint such executive Committees as the Combined Authority considers appropriate, their membership and the Chair and Vice-Chair;
 - (vii) appoint the Overview and Scrutiny Committee and Audit and Governance Committee (including their terms of reference, size, the allocation of seats to political parties in accordance with the political balance requirements) in accordance with nominations received from Constituent Councils;

Chapter 5 -- Proceedings of Meetings

- (viii) appoint the Chair and Vice-Chair of the Audit and Governance Committee;
 - (ix) agree the programme of the Ordinary Meetings of the Combined Authority for the forthcoming year, and appropriate advanced notification of other planned meetings of Committees; and
 - (x) be followed by an Ordinary Meeting to consider any other business set out in the notice convening the meeting.
- 3.3. The Combined Authority Board may decide at subsequent meetings to dissolve Committees, alter their terms of reference or to appoint new Committees.

4. Ordinary Meetings

- 4.1. The Combined Authority Board will decide on the number of Ordinary Meetings to hold in each municipal year in addition to its annual meeting. Each meeting will be held at a time and place as the Combined Authority decides.
- 4.2. Ordinary Meetings will:
- (i) approve the minutes of the last meeting;
 - (ii) receive any declarations of interest from Members;
 - (iii) receive any announcements from the Mayor;
 - (iv) receive questions from, and provide answers to the public in accordance with Standing Order 18 below;
 - (v) receive petitions in accordance with Standing Order 19 below;
 - (vi) receive and consider reports from its Officers, Committees and Sub-Committees and working groups;
 - (vii) deal with any business from the last Combined Authority meeting; and
 - (viii) consider motions on notice and any other business specified in the summons to the meeting.

Chapter 5 -- Proceedings of Meetings

- 4.3. Unless otherwise determined by statute, the Chair may vary the order of the agenda at their absolute discretion and may allocate or re-allocate an appropriate time for the transaction of each item.
- 4.4. If any issues arise at a meeting in relation to interpretation of the meeting procedure rules the Chair's decision shall be final.

Urgency

- 4.5. The Chair may determine that an item of business that has not been open to prior public inspection, should be considered at the meeting as a matter of urgency. Any urgent items shall comply with Transparency Rules, Forward Plan and Key Decisions in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)Chapter 6 – Transparency Rules, Forward Plan and Key Decisions .

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5. Extraordinary Meetings

- 5.1. An Extraordinary Meeting of the Combined Authority may be called by:
 - (i) the Combined Authority by resolution;
 - (ii) the Chair of the Combined Authority;
 - (iii) the Chief Executive of the Combined Authority;
 - (iv) the Monitoring Officer; or
 - (v) any three Members of the Combined Authority if they have signed a requisition presented to the Chair of the Combined Authority and the Chair has refused to call a meeting or has failed to call a meeting within seven days of the presentation of the requisition.
- 5.2. The business to be conducted at an Extraordinary Meeting shall be restricted to the items of business contained in the request for the Extraordinary Meeting and there shall be no consideration of previous minutes or reports from Committees etc. except that the Chair may at his/her absolute discretion permit other items of business to be added to the agenda for the efficient discharge of the Combined Authority's business.

Chapter 5 -- Proceedings of Meetings

6. Notice of meetings and Agendas

- 6.1. Notice of meetings, agendas and reports will be published in accordance with the Transparency Rules, Forward Plan and Key Decisions. (see Chapter 6)

7. Public Access

- 7.1. As set out in the Transparency Rules, Forward Plan and Key Decisions, every meeting of the Combined Authority shall be open to the public except where the public are excluded during the whole or part of the proceedings in certain circumstances. Copies of the agenda and any additional papers will be available for the public and media representatives.

8. Attendance

- 8.1. The Monitoring Officer shall record the attendance of each Member at the meeting.

9. Notice of Substitute Members

- 9.1. Substitute Members may attend meetings in that capacity only:
- (a) to take the place of the Member for whom they are the designated substitute where the Member will be absent for the whole of the meeting;
 - (b) after they, or the Member they are substituting for, has provided the Monitoring Officer with notice of the substitution before the commencement of the meeting in question;
 - (c) where an adjourned meeting is reconvened and it is essential for that Substitute Member to continue to attend to comply with good governance.
- 9.2. Substitute Members will have all the powers and duties of an ordinary Member of the Combined Authority for the duration of the meeting at which they act as Substitute but will not be able to exercise any other special powers or duties exercisable by the person for whom they are the Substitute.

Chapter 5 -- Proceedings of Meetings

10. Chair and Vice-Chair

- 10.1. From the point at which he or she takes office, the Mayor will act as Chair to the Combined Authority. The Mayor shall appoint a statutory Deputy Mayor holding statutory powers as Vice-Chair of the Combined Authority.
- 10.2. If the Mayor resigns or the position is vacant, the statutory Deputy Mayor shall chair the Combined Authority Board.
- 10.3. Following the appointment of the Deputy Mayor as Chair, the Combined Authority must appoint a Vice-Chair from among its Members and the appointment is to be the first business transacted. If the Mayor has appointed a second Deputy Mayor, he or she shall be the Vice-Chair.
- 10.4. A person ceases to be Chair or Vice-Chair of the Combined Authority Board if they cease to be a Member of the Combined Authority.
- 10.5. If a vacancy arises in the office of Chair or Vice-Chair, an appointment to fill the vacancy is to be made at the next ordinary meeting of the Combined Authority Board, or, if that meeting is to be held within 14 days of the vacancy arising, at the following meeting. The appointment of Chair must be the first business transacted. The appointment of the Vice-Chair should be the first business transacted after the appointment of the Chair of the Board.

11. Quorum

- 11.1. No business shall be transacted at any meeting of the Combined Authority Board unless at least five Members are present at the meeting, including:
 - (a) the Mayor, or the statutory Deputy Mayor acting in place of the Mayor, and
 - (b) at least four other Members appointed by the Constituent Councils, or Substitute Members acting in their place.
- 11.2. If the Mayor is not in post, no business shall be transacted at any meeting of the Combined Authority Board unless at least five Members of the Constituent Councils, or their Substitute Members, are present at the meeting.

12. Declaration of Interests in Meetings

- 12.1. Where a Member attends a meeting of the Combined Authority Board, Committees or Sub-Committees they must declare personal interests and

Chapter 5 -- Proceedings of Meetings

disclosable pecuniary interests not already notified in the register of interests as defined in the Members' Code of Conduct either at the start of the meeting, or otherwise as soon as the interest becomes apparent in the course of the meeting.

12.2. All Members and their Substitute Members, Non-Constituent Members and Co-opted Members and their Substitute Members shall also complete a Declaration of Interest form.

12.3. In addition, where in relation to any meeting a Member has declared a disclosable pecuniary interest in a matter, the Member must leave the room for the duration of the discussion on that matter.

13. Rules of Debate

Speeches

13.1. The Chair will be responsible for the management of the meeting and will introduce each item on the agenda in the order they appear on the agenda or such order as the Chair considers most effective for the conduct of the meeting.

13.2. The Chair may invite a Member or Officer to present the item for debate.

13.3. The Chair will decide the order in which speakers will be heard and may permit both Members and Officers to speak on the item.

13.4. Members will remain seated when speaking and must address the Chair.

13.5. Speeches must be directed to the subject under discussion or to a personal explanation or point of order.

13.6. The Chair shall at his discretion determine the time permitted for speeches and the number of speeches to be made by any Member or Officer.

13.7. A Member may move a motion without giving notice as required by paragraph 14 below based upon recommendations in a report or may move amended or alternative recommendations.

13.8. If an amendment is moved the mover of the original motion has the right of reply on the debate concerning the amendment.

13.9. The mover of the motion has a right of reply at the end of the debate immediately before it is put to the vote.

Chapter 5 -- Proceedings of Meetings

14. Motions Submitted in the Name of a Member

- 14.1. Any Member of the Board appointed by a Constituent Council or the Business Board may give notice of a motion for consideration at any ordinary meeting of the Combined Authority.
- 14.2. The Monitoring Officer shall only accept a notice of motion which relates to those matters for which the Combined Authority has powers, duties or responsibility, or which affect the area of the Combined Authority or part of it or its citizens. He/she shall keep a record of the date and time at which every motion is delivered to him/her.
- 14.3. The motion must not be:
 - (a) illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of Combined Authority or Constituent Council staff;
 - (b) substantially the same as a motion which has been put at a meeting of the Combined Authority in the past year.
- 14.4. Unless the Chair of the Combined Authority Board is of the opinion that a motion should be considered as a matter of urgency, notice of every motion to be moved at any meeting of the Combined Authority Board shall be delivered to the Monitoring Officer in writing not later than 12 noon on the sixth working day before the day of the Combined Authority meeting, but not including the day of the meeting itself.
- 14.5. Motions will be listed on the agenda in the order of which notice is received by the Monitoring Officer unless the Member giving notice states that they propose to move it to a later meeting or withdraw it.
- 14.6. At the close of the debate on the motion, and immediately before it is put to the vote, the mover has a right of reply.
- 14.7. Where notice of a motion has been given and has been included on the agenda for a meeting of the Combined Authority, but the motion has not been moved and seconded (for whatever reason) that motion shall lapse.
- 14.8. Where a meeting of the Combined Authority is cancelled, postponed or adjourned to a later date any unconsidered motions will be considered at the next ordinary meeting of the Combined Authority Board or at a later meeting selected by the Member proposing the motion.

Chapter 5 -- Proceedings of Meetings

15. Amendment to Motions

- 15.1. An amendment shall be relevant to the motion and shall either:
- (a) refer the matter to the appropriate body or individual for consideration or reconsideration;
 - (b) leave out words; or
 - (c) insert or add other words,
- as long as the amendment does not have the effect of negating the motion.
- 15.2. Under normal circumstances, only one amendment may be moved and discussed at a time, and no further amendment shall be moved until the amendment under discussion has been disposed of.
- 15.3. However, the Chair may permit two or more amendments to be discussed together (but not voted upon) if circumstances suggest that this course would facilitate the proper conduct of business, and may direct the order in which such amendments are to be put to the vote.
- 15.4. If an amendment is not carried, other amendments may be moved to the original motion. If an amendment is carried, the motion as amended shall take the place of the original motion and shall become the substantive motion upon which any further amendment may be moved.

16. Voting

General Voting

- 16.1. Each voting Member shall have one vote. There shall be no casting vote. A “Member” includes:
- (a) the Mayor;
 - (b) a Constituent Council Member or a Substitute Member acting in that Member’s place; and
 - (c) a Member appointed from the Local Enterprise Partnership.
- 16.2. Except decisions to which special voting arrangements apply, all decisions of the Board shall be decided by a majority of voting Members, subject to that majority including the vote of the Mayor, or the Deputy Mayor acting in place of the Mayor.
- 16.3. If a vote is tied it is deemed not to have been carried.

Chapter 5 -- Proceedings of Meetings

- 16.4. If there is a deadlock, the matter shall be brought back to the next meeting of the Combined Authority Board.
- 16.5. The proceedings of the Combined Authority are not invalidated by any vacancy among its Members or Substitute Members or by any defect in the appointment or qualifications of any Member or Substitute Member.

Special Voting

- 16.6. A decision on a question relating to:
- (a) amendments to the Constitution; or
 - (b) determining a request by an organisation to become a Co-opted Member on the Combined Authority Board; or
 - (c) admission to the Combined Authority as a non-Constituent Council Member;
- requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) present and voting.

- 16.7. A decision on a question relating to:
- (a) the Transport Plan;
 - (b) any spending plans or plans for the allocation of transport-related funding;
- requires a vote in favour, by at least two-thirds of all Members (or their Substitute Members) appointed by the Constituent Councils to include the Members appointed by Cambridgeshire County Council and Peterborough City Council, or their Substitute Members.

Voting on the Mayoral Matters

- 16.8. A decision on a question relating to a proposal by the Mayor to exercise the general power of competence which involves:
- (a) property, rights and liabilities passing between the Combined Authority and any Constituent Authorities; or
 - (b) the preparation and publication of the Mayor's strategy for spatial development in the Combined Authority area;

Chapter 5 -- Proceedings of Meetings

requires a unanimous vote by all Members of the Combined Authority appointed by the Constituent Councils (or their Substitute Members).

- 16.9. A decision to reject the Mayoral budget, Mayoral strategy or Mayoral spending plan requires a vote in favour by at least two-thirds of all Members appointed by Constituent Councils (or their Substitute Members). The two-thirds must be present and voting.

Recorded Votes

- 16.10. A Member may ask immediately after the vote is taken, that their vote is recorded in the minutes of the relevant meeting.
- 16.11. Where Members vote on the budget, the vote will be recorded.

Voting on Appointments

- 16.12. If there are more than two people nominated for any position to be filled and there is not a clear majority of votes in favour of one person, then the name of the person with the least number of votes will be taken off the list and a new vote taken. The process will continue until there is a majority of votes for one person.

17. Minutes

- 17.1. The minutes of the proceedings of each meeting of the Combined Authority Board, or any Committee or Sub-Committee of the Combined Authority Board, shall be retained by the Combined Authority and shall include the names of Members and Substitute Members present at any meeting.
- 17.2. The minutes must be signed at the next ordinary meeting of the Combined Authority by the Chair. No discussion shall take place upon the minutes except about their accuracy. Any signed minutes are to be received in evidence without further proof.
- 17.3. Until the contrary is proved a meeting of the Combined Authority Board or its Committees or Sub-Committees, a minute of whose proceedings has been signed in accordance with paragraph 17.2, is deemed to have been duly convened and held, and all the Members and Substitute Members present at the meeting are deemed to have been duly qualified.

Chapter 5 -- Proceedings of Meetings

18. Questions by the Public

- 18.1. Where there is an item on the agenda that has attracted significant public attendance, that matter shall normally be taken early in the agenda, unless the Chair agrees there is a compelling reason to do otherwise.

General

- 18.2. Councillors of Constituent Authorities and members of the public who are residents of the Combined Authority area or work in the area may ask questions of a Member of the Combined Authority, including at an Extraordinary Meeting. For Extraordinary Meetings, the question must relate to the item on the agenda.
- 18.3. The total time allocated for questions by the public shall normally be limited to a maximum of 30 minutes, but the Chair shall have the discretion to add a further 15 minutes.

Order of Questions

- 18.4. Priority will be given to questions on items on the agenda for the meeting, or issues where decisions are expected before the next meeting. The order in which first these and then other questions shall be presented to the meeting shall be determined by a draw. The draw shall be conducted by the Monitoring Officer prior to the meeting.

Notice of Questions

- 18.5. A question may only be asked if notice has been given in writing or by electronic mail to the Monitoring Officer no later than midday three working days before the day of the meeting. Each question must give the name and address of the questioner and where possible, the name of the Member of the Combined Authority Board to whom it is to be put.

Number of Questions

- 18.6. At any one meeting no person may submit more than one question.

Scope of Questions

- 18.7. If the Monitoring Officer considers a question:
- (a) is not about a matter for which the Combined Authority has a responsibility or which affects its area;

Chapter 5 -- Proceedings of Meetings

- (b) is illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of the Combined Authority or Constituent Authority staff;
- (c) is substantially the same as a question which has been put at a meeting of the Combined Authority Board in the past year; or
- (d) requires the disclosure of confidential or exempt information

he/she will inform the Chair who will then decide whether or not to reject the question.

Record of Questions

- 18.8. The Monitoring Officer shall record the question and will immediately send a copy to the Member to whom it is to be put. Rejected questions will be recorded including the reasons for rejection.
- 18.9. Written answers will be provided after the meeting to the person who submitted the question. Copies of all questions will be circulated to all Members. Questions and answers will be added to the Combined Authority website.

Asking the Question at the Meeting

- 18.10. The Chair will invite the questioner to put the question to the Member named in the notice. Up to two minutes are allowed for putting the question. If a questioner who has submitted a written question is then unable to be present, they can ask for a written response. No debate will be allowed on the question or response.

Supplementary Questions

- 18.11. Unless due to time shortage and the need to answer other questions means there is insufficient time for supplementary questions, a questioner may also put one supplementary question without notice to the Member who has replied to his or her original question. A supplementary question must arise directly out of the original question or the reply. One minute is allowed for putting the supplementary question.

Chapter 5 -- Proceedings of Meetings

Answers

- 18.12. Up to two minutes are allowed for answering a question or supplementary question. Any question which cannot be dealt with, either because of lack of time will be dealt with by a written answer.

19. Petitions from the public

- 19.1. Petitions with at least 500 signatures may be presented to the Combined Authority Board. The person presenting the petition will be allowed to address the meeting briefly (not exceeding three minutes) to outline the aims of the petition. The Chair will refer the matter to another appropriate body or to the Chief Executive, unless a relevant item appears elsewhere on the Agenda.
- 19.2. A petition should be received by the Monitoring Officer no later than midday three working days before the day of the meeting.

20. Conduct at meetings

Member Not to be Heard Further

- 20.1. If a Member persistently disregards the ruling of the Chair by behaving improperly or offensively or deliberately obstructs business, the Chair or another Member may move that the Member be not heard further. If seconded, the motion will be voted on without discussion.

Member to Leave the Meeting

- 20.2. If the Member continues to behave improperly after such a motion is carried, the Chair or another Member may move that either the Member leaves the meeting or that meeting is adjourned for a specified period. If seconded, the motion will be voted on without discussion.

General Disturbance

- 20.3. If there is a general disturbance making orderly business impossible, the Chair may adjourn the meeting for as long as he or she thinks necessary.

Removal of Member of the Public

- 20.4. If a member of the public interrupts proceedings, the Chair will warn the person concerned. If they continue to interrupt, the Chair will order their removal from the meeting room.

Chapter 5 -- Proceedings of Meetings

Clearance of Part of Meeting Room

- 20.5. If there is a general disturbance in any part of the meeting room open to the public, the Chair may call for that part to be cleared.

21. Suspension of Procedure Rules

- 21.1. All of these procedure rules except those provided for in statute may be suspended by motion on notice or without notice. Suspension can only be for the duration of the meeting and requires a two-thirds majority of those present and voting.

22. Photography, Audio/Visual recording of Meetings and Blogging/Tweeting

- 22.1. Please see Transparency Rules Forward Plan and Key Decisions (see Chapter 6)

Chapter 6 - Transparency Rules, Forward Plan and Key Decisions

1. Scope

- 1.1. These rules are a summary of rights to attend meetings of the Combined Authority Board, and to access documents.
- 1.2. These rules apply to all meetings of the Combined Authority, Committees and Sub-Committees (including the Overview and Scrutiny and the Audit and Governance Committees where appropriate).

2. Additional Rights to Information

- 2.1. These rules do not affect any more specific rights to information set out elsewhere in this Constitution or provided by the law, including the Data Protection Act, Freedom of Information Act or the Environmental Information Regulations.

3. Rights to Attend Meetings

- 3.1. Members of the public may attend all meetings subject only to the exceptions in these rules.

4. Notice of Meetings

- 4.1. The Monitoring Officer shall give notice of any meeting by publishing details of the meeting on the Combined Authority website:
 - (a) at least five clear days before the meeting; or
 - (b) where the meeting is convened at shorter notice, at the time that the meeting is convened.
- 4.2. For the purposes of calculating the five clear day notice period, the day on which notice is given and the day of the meeting shall be disregarded.
- 4.3. The notice will set out the time and place the business to be carried out.

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

5. Access to Agenda and Reports before the Meeting

- 5.1. All agendas and reports will be published at least five clear working days before the meeting. If an item is added to the agenda later, the revised agenda will be open to inspection from the time the item was added to the agenda.
- 5.2. Where reports are prepared after the summons has been sent out, the Monitoring Officer shall make the report available to the public as soon as the report is completed and sent to Members.

6. Access to Minutes after the Meeting

- 6.1. The draft minutes of each meeting shall be produced and published with the agenda of the next meeting.
- 6.2. The minutes of a meeting must be signed at the next by the person presiding at that meeting. No discussion shall take place upon the minutes except about their accuracy.

7. Supply of Copies

- 7.1. On payment of a charge for postage and any other costs, the Monitoring Officer will supply copies of the following for all meetings to which these Rules apply:
 - (a) any agenda and reports which are open to public inspection;
 - (b) any further statements or particulars necessary to indicate the nature of the items; and
 - (c) if the Chief Executive thinks fit, copies of any other documents supplied to Members in connection with an item.
 - (d) the minutes of the meeting or records of decisions taken, excluding any part of the minutes of proceedings when the meeting was not open to the public or which disclose exempt or confidential information;
 - (e) a summary of any proceedings not open to the public where the minutes open to inspection would not provide a reasonably fair and coherent record;
- 7.2. Copies of any agenda, reports or minutes which are open to public inspection will be available for six years after a meeting:

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

8. Background Papers

- 8.1. The Monitoring Officer will set out in every report a list of those documents (called background papers) relating to the subject matter of the report which in his or her opinion:
- (a) disclose any facts or matters on which the report or an important part of the report is based; and
 - (b) were relied on to a material extent in preparing the report.
- 8.2. The documents referred to in (a) and (b) above do not include published works or those which disclose exempt or confidential information and in respect of Mayoral reports, the advice of a political advisor (if any).
- 8.3. A copy of any background papers listed will be available for public inspection for four years after the date of the meeting.

9. Exclusion of the Press and Public from Meetings

Confidential information - Requirement to Exclude the Public

- 9.1. The public must be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that confidential information would be disclosed.

Exempt Information – Discretion to Exclude the Public

- 9.2. The public may be excluded from meetings whenever it is likely in view of the nature of the business to be transacted or the nature of the proceedings that exempt information would be disclosed.
- 9.3. Where the meeting will determine any person's civil rights or obligations, or adversely affect their possessions, Article 6 of the Human Rights Act 1998 establishes a presumption that the meeting will be held in public unless a private hearing is necessary for one of the reasons specified in that Article 6.

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

Meaning of Confidential Information

- 9.4. Confidential information means information given to the Combined Authority by a Government Department on terms which forbid its public disclosure or information which cannot be publicly disclosed by Court Order or by law.

Meaning of Exempt Information

- 9.5. Exempt information means information falling within the following 7 categories and within schedule 12A of the Local Government Act 1972, subject to the qualifications listed below:

CATEGORY	
1.	Information relating to any individual.
2.	Information which is likely to reveal the identity of an individual.
3.	Information relating to the financial or business affairs of any particular person (including the authority holding that information).
4.	Information relating to any consultations; or negotiations, or contemplated consultations; or negotiations, in connection with any labour relations matter arising between the authority; or a Minister of the Crown and employees of; or office holders under the authority.
5.	Information in respect of which a claim to legal professional privilege could be maintained in legal proceedings.
6.	Information which reveals that the authority proposes: (a) to give under any enactment a notice under or by virtue of which requirements are imposed on a person; or (b) to make an order or direction under any enactment.
7.	Information relating to any action taken or to be taken in connection with the prevention or investigation or prosecution of crime.

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

Qualifications
<p>Information relating to the financial or business affairs of any particular person is not exempt if it is required to be registered under:</p> <ul style="list-style-type: none"> (a) the Companies Act 1985; (b) the Friendly Societies Act 1974 and 1992; (c) the Industrial and Provident Societies Acts 1965 to 1978; (d) the Building Societies Act 1986; or (e) the Charities Act 1993. <p>Information is exempt if and so long as in all the circumstances of the case, the public interest in maintaining the exemption outweighs the public interest in disclosing the information.</p>

Exclusion of Access by the Public to Reports

- 9.6. If the Monitoring Officer feels that a report or document contains confidential or exempt information he or she must mark the report or document 'Not for Publication - paragraph ... of Schedule 12A to the Local Government Act 1972'.
- 9.7. If a report or document is marked 'not for publication' the contents will not be quoted or revealed before or after the meeting, unless before the report is discussed, the meeting decides at the beginning that the matter should be dealt with in public.
- 9.8. The public must be excluded from a meeting during an item of business whenever:
 - (a) It is likely, in view of the nature of the business to be transacted or the nature of the proceedings, that if members of the public were present during that item, confidential information would be disclosed to them in breach of the obligations of confidence.
 - (c) The decision-making body concerned passes a resolution to exclude the public during that item where it is likely, in view of the nature of the item of business, that if members of the public were present during that item, exempt information would be disclosed to them.

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

10. Notice of Private Meetings

- 10.1. All Combined Authority Board meetings or any Committee or Sub-Committee meetings will be held in public except when the decision making body has resolved to:
- (a) exclude the press and public from all or part of a meeting in accordance with the Transparency rules or
 - (b) exclude a Member or members of the public in order to maintain orderly conduct or prevent misbehaviour at the meeting in accordance with the Combined Authority's standing orders.
 - (c) further notice is made available on the Combined Authority's website at least 5 clear days before the meeting giving the reasons for holding the meeting in private, any representations received and a statement of its response. This will form part of the decision-making body's agenda.
- 10.2. Where the date of a private meeting of the Combined Authority or its Committee or Sub-Committees makes compliance with (a) and (b) impractical, the meeting may only be held and any decision taken if agreement is obtained that the meeting is urgent and cannot reasonably be deferred from:
- (a) the Chair of the Overview and Scrutiny Committee; or
 - (b) If there is no Chair or he/she is unable to act, then the Mayor as Chair of the Combined Authority; or
 - (c) in his/her absence, the Deputy Mayor as Vice-Chair of the Combined Authority.
- 10.3. A notice setting out the reasons why the private meeting is urgent and cannot reasonably be deferred must be published on the Combined Authority's website as soon as reasonably practicable after agreement has been obtained.

11. Key Decisions and Forward Plan

- 11.1. A "key decision" means a decision, which in the view of the Overview and Scrutiny Committee is likely to:

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

- (a) result in the Combined Authority spending or saving a significant amount, compared with the budget for the service or function the decision relates to; or
 - (b) have a significant effect on communities living or working in an area made up of two or more wards or electoral divisions in the area.
- 11.2. When assessing whether or not a decision is a key decision, Members must consider all the circumstances of the case. However, a decision which results in a significant amount spent or saved will not generally be considered to be a key decision if that amount is less than £500,000.
- 11.3. A key decision which is considered to have a 'significant' effect on communities should usually be of a strategic rather than operational nature and have an outcome which will have an effect upon a significant number of people living or working in the area and impact upon:
 - (a) the amenity of the community or;
 - (b) quality of service provided by the Authority
- 11.4. Subject as below, a key decision may not be taken by the decision maker unless:
 - (a) It is in the Forward Plan on the Combined Authority's website.
 - (b) At least 28 clear days' notice has been given, or if this is impracticable, the decision has complied with the provisions set out in paragraph 12 or 13 below as they may apply, and
 - (c) Notice of the meeting has been given in accordance with these rules

Forward Plan

- 11.5. The Forward Plan will be prepared by the Mayor in consultation with the Chief Executive and published by the Monitoring Officer at least 28 clear days before the date of the meeting to which it refers.
- 11.6. The Forward Plan will include matters which are key decisions to be taken by the Combined Authority, its Committee or Sub-Committees, the Mayor, an Officer, or a Joint Committee when discharging their functions. It will include in so far as the information is available or might reasonably be obtained:
 - (a) that a key decision is to be made on behalf of the Combined Authority;

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

- (b) the matter about which a decision is to be made; where the decision taker is an individual, his/her name and title, if any; and, where the decision taker is a body, its name and details of its membership;
 - (c) the date on which, or period within which, the decision will be taken;
 - (d) a list of the documents submitted to the decision maker for consideration about that matter;
 - (e) the address from which copies of any document listed is available, subject to any prohibition or restriction on their disclosure;
 - (f) that other documents relevant to those matters may be submitted to the decision maker; and
 - (g) the procedure for requesting details of those documents (if any) as they become available;
 - (h) whether the decision proposed to be taken will include confidential or exempt information and require the meeting to be private to consider the item, either in full or in part, and the relevant exemption category.
- 11.7. Where any matter involves the consideration of exempt information or confidential information (as defined above) or the advice of a political adviser or assistant, a summary of the matter shall be included in the Forward Plan but the exempt or confidential information or the advice, as the case may be, need not be included.

12. General Exception

- 12.1. Where publication of the intention to make a key decision is impractical, the decision may still be taken if:
- (a) the Monitoring Officer has informed the Chair of the Overview and Scrutiny Committee (or if there is no such person, each Member of the Overview and Scrutiny Committee) by written notice of the matter to which the decision is to be made, including why compliance with the requirement to provide at least 28 clear days' notice was not practical in that case;
 - (b) the Monitoring Officer has made copies of that notice available to the public at the Combined Authority's office and its website, and

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

- (c) at least five clear days have elapsed since the Monitoring Officer complied with (a) and (b) above.

13. Special Urgency Decision

- 13.1. Where the date by which a key decision must be taken means the General Exception rule cannot be followed, then the decision can only be taken where the decision maker has obtained agreement from:
 - (a) the Chair of the Overview and Scrutiny Committee; or
 - (b) if there is no such person or the Chair of the Overview and Scrutiny Committee is unable to act, then the agreement of the Chair of the Combined Authority Board; or
 - (c) where there is no Chair of either, the Vice-Chair of the Board;

that the making of the decision is urgent and cannot reasonably be deferred.
- 13.2. As soon as reasonably practicable after agreement has been given, a notice must be available to the public at the Combined Authority's Offices and on its website, setting out the reasons for urgency and why the decision could not reasonably be deferred.

14. Additional Rights of Access to Documents for Members of Overview and Scrutiny Committees

- 14.1. Subject to paragraph 14.3 below, a Member of the Overview and Scrutiny Committee is entitled to a copy of any document which:
 - (a) is in the possession or under the control of the Combined Authority or the Mayor; and
 - (b) contains material relating to:
 - (i) any business that has been transacted at a meeting of a decision-making body of the authority; or
 - (ii) any decision that has been made by an individual Member of the Combined Authority.

Chapter 6 -- Transparency Rules, Forward Plan and Key Decisions

- 14.2. Subject to 14.3, where a Member of the Overview and Scrutiny Committee requests a document under 14.1, the Combined Authority or the Mayor must provide that document as soon as reasonably practicable and in any case no later than 10 clear days after it receives the request.
- 14.3. No Member of the Overview and Scrutiny Committee is entitled to a copy of any document or part of a document that contains:
- (a) exempt or confidential information unless that information is relevant to:
 - (i) an action or decision that that Member is reviewing or scrutinising; or
 - (ii) any review in any programme of work of the Committee; or
 - (b) advice provided by a political adviser.
- 14.4. Where the Combined Authority or the Mayor determines that a Member of the Overview and Scrutiny Committee is not entitled to a copy of a document or part of any such document for a reason set out in 14.3, it must provide the Committee with a written statement setting out its reasons for that decision.

15. Photography and Audio/Visual Recording of Meetings

- 15.1. Any member of the public may film, audio record, take photographs and use social media to report the proceedings of any meeting that is open to the public provided that it is not disruptive and does not detract from the proper conduct of the meeting.

Chapter 7 - Budget Framework Procedure Rules

1. Introduction

- 1.1. The Budget Framework is the name given to the procedures that must be followed before the budget is finally approved. These rules set out how the Combined Authority will make decisions on the budget.
- 1.2. Once the budget is in place it is the responsibility of the Combined Authority Board or the Mayor to implement.
- 1.3. The Budget Framework will comprise the following:

2. Mayors General Functions Budget

- 2.1. The costs of the Mayor that are incurred in, or in connection with, the exercise of Mayoral functions are to be met from precepts issued by the authority under section 40 of the 1992 Act, unless funded from other sources.
- 2.2. The Mayor may make a bid for gain share funds as part of his/her proposed budget which may or may not be agreed by the Combined Authority Board.
- 2.3. The Mayor must, before 1st February in any financial year, notify the Combined Authority of the Mayor's draft budget in relation to the following financial year.
- 2.4. The draft budget must:
 - (a) set out the Mayor's spending plans and how the Mayor intends to meet the costs of the Mayor's general functions; and
 - (b) include the relevant amounts and calculations
- 2.5. The Combined Authority Board must review the Mayor's draft budget and may make a report to the Mayor on the draft budget. Any report:
 - (a) must set out whether or not the Combined Authority would approve the draft budget in its current form; and

Chapter 3 – The Mayor of the Combined Authority

- (b) may include recommendations, including recommendations as to the relevant amounts and calculations that should be used for the financial year.
- 2.6. The Mayor's draft budget shall be deemed to be approved by the Combined Authority unless the Board makes a report to the Mayor before 8th February.
- 2.7. Where the Combined Authority Board makes a report, it must specify a period of at least five working days beginning on the day after the day on which the Mayor receives the report within which the Mayor may:
 - (a) decide whether or not to make any revisions to the draft budget; and
 - (b) notify the Combined Authority Board of the reasons for that decision and, where revisions are made, the revised draft budget.
- 2.8. When the period specified by the Combined Authority Board in paragraph 2.7 above has expired the authority must determine whether to:
 - (a) approve the Mayor's draft budget (or revised draft budget); or
 - (b) veto the draft budget (or revised draft budget) and approve the Mayor's draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor.
- 2.9. The Mayor's draft budget (or revised draft budget) shall be deemed to be approved unless vetoed within the period of five working days beginning with the day after the date on which the period specified in 2.7 above expires.
- 2.10. Any decision to veto the Mayor's draft budget (or draft revised budget) and approve the Mayor's draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor must be decided by a two-thirds majority of the Members, or Substitute Members acting in their place, of the Combined Authority Board present and voting on the question at a meeting of the authority.
- 2.11. Where the Mayor has failed to notify the Combined Authority Board of the Mayor's draft budget before the 1st February, then the Combined Authority Board must determine the relevant amounts and calculations that are to be used for the financial year.

Chapter 3 – The Mayor of the Combined Authority

- 2.12. Any decision under 2.11 above must be decided by a two-thirds majority of the Members, or Substitute Members acting in their place, of the Combined Authority Board present and voting on the question at a meeting of the Board.
- 2.13. Immediately after any vote is taken, there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.

3. Mayor's general fund

- 3.1. The Mayor must keep a fund (to be known as the Mayor's general fund) in relation to receipts arising, and liabilities incurred, in the exercise of the Mayor's general functions.
- 3.2. All of the Mayor's receipts in respect of the exercise of the Mayor's general functions must be paid into the Mayor's general fund.
- 3.3. All of the Mayor's expenditure in respect of the exercise of the Mayor's general functions must be paid out of the Mayor's general fund.
- 3.4. The Mayor must keep accounts of payments made into or out of the Mayor's general fund.

4. Combined Authority Budget

- 4.1. Each year, the Chief Executive and Chief Finance Officer shall prepare a draft budget for the Combined Authority, consistent with statutory requirements and principles of sound financial management. The draft Budget shall include all aspects of Combined Authority expenditure and income for the forthcoming financial year, irrespective of the source of income, and of the powers under which expenditure is brought forward. The draft Budget shall also be prepared in the context of the Investment Plan.
- 4.2. If any part of the draft Budget proposes expenditure incurred in, or in connection with, the exercise of Mayoral functions defined under the [Combined Authorities \(Finance\) Order 2017](#), which cannot be met through other sources, and where this position is confirmed by the Monitoring Officer and Chief Finance Officer, the draft Budget may set out a proposal to precept the constituent authorities, under section 40 of the Local Government Finance Act 1992. Otherwise, the draft Budget shall confirm that a precept is not proposed.

Chapter 3 – The Mayor of the Combined Authority

- 4.3. The draft Budget shall be submitted to the Combined Authority Board for consideration and approval for consultation purposes only, before the end of December each year. The Combined Authority Board will also agree the timetable for consultation and those to be consulted. The consultation period shall not be less than four weeks, and the consultees shall include Constituent Authorities, the Local Enterprise Partnership and the Overview and Scrutiny Committee.
- 4.4. Before 1st February, having taken into account the draft Budget, the consultation responses, and any other relevant factors, the proposed budget for the following financial year, including the Mayor's budget, shall be submitted to the Combined Authority Board.
- 4.5. Within five working days, the Combined Authority Board shall meet to consider the Budget. A report may be agreed by a majority of the Combined Authority to:
- (a) approve the budget as proposed, or
 - (b) propose amendments to the budget and
 - (c) If amendments are proposed to the Mayor's budget, agree a date, at least five working days from the date the report is published, for a further meeting to re-consider the budget.

5. Mayor's consideration of report

- 5.1. If the Board propose changes to the Mayor's budget, the Mayor shall publish a report in advance of the meeting responding to the proposals set out by the Combined Authority Board. The report may support some or all of the proposals made by the Board with reasons why the Mayor supports or rejects those proposals. The draft budget shall be amended to reflect any proposals which are supported by the Mayor.

6. Combined Authority Board's decision on budget

- 6.1. The draft Budget shall be further considered at the meeting established under 4.5 (c) above. A two-thirds majority of the Members (6 Members), or Substitute Members acting in their place, of the Combined Authority Board present and voting on the question may decide to reject the Mayor's budget and approve the draft budget incorporating the Combined Authority's recommendations contained in the report to the Mayor. Otherwise the draft budget is approved.

Chapter 3 – The Mayor of the Combined Authority

- 6.2. Immediately after any vote is taken at a meeting established under 4.5 (c), there must be recorded in the minutes of the proceedings of that meeting the names of the persons who cast a vote for the decision or against the decision or who abstained from voting.
- 6.3. A notice of the decision will be prepared by the Chief Finance Officer and given to each Constituent Authority.

7. Decisions that contravene the Budget or the plans or strategies in the Policy Framework

7.1. Financial Regulations contain provisions allowing virement. Subject to those provisions, the Mayor, the Combined Authority Board, Committees of the Combined Authority Board and/or any Officers or Joint Committees discharging functions are only authorised to take decisions in line with the approved Budget and/or the approved plans or strategies in the Policy Framework set out in 7.2.

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Chapter 7 – Budget Framework Procedure Rules

~~7.1.7.3.~~ Chapter 4 - Combined Authority Board Functions~~Chapter 4 – Combined Authority Board Functions~~, paragraph 1. Only the Combined Authority Board can take a decision that wholly or in part does not accord with the approved Budget or plans or strategies in the Policy Framework.

~~7.2.7.4.~~ Decision makers must take the advice of the Monitoring Officer and/or Chief Finance Officer where it appears to them that a decision they wish to make would be contrary to the approved plans or strategies in the Policy Framework or not wholly in accordance with the approved Budget. Where advice is given that the decision would be contrary to the approved plans or strategies in the Policy Framework or not wholly in accordance with the Budget then that decision must be referred to the Combined Authority Board.

~~7.3.7.5.~~ Decisions of the Combined Authority Board, its Committees, Sub-Committees or a Joint Committee or Officers, must be in line with the policies set by the Combined Authority Board. These decision makers may only make changes to any of the policies in the Policy Framework in the following circumstances:

- (a) where the Combined Authority has a budgetary constraint and changes are made to the policies in the Policy Framework to meet that constraint. This may involve the closure or discontinuance of a service;
- (b) changes necessary to ensure compliance with the law, ministerial direction or government guidance; or
- (c) changes to a policy which would normally be agreed annually or periodically by the Mayor or Combined Authority Board following consultation, but where the existing policy document is silent on the matter under consideration.

Chapter 8 - Transport and Infrastructure Committee

1. Governance

- 1.1. The Combined Authority has appointed a Transport and Infrastructure Committee. The committee is an executive committee of the Combined Authority Board.

2. Introduction

- 2.1. The Transport and Infrastructure Committee operates within the terms agreed by the Combined Authority Board.
- 2.2. The Combined Authority Board retains responsibility for agreeing key strategies (Local Transport Plan, Bus Strategy, and other key strategies as it determines). These are known as the 'reserved matters'.
- 2.3. The Combined Authority Board will determine all matters requiring a budget allocation, which may then be delegated to the committee to deliver.
- 2.4. The Combined Authority will determine all business cases, which may be delegated to the committee to deliver.
- 2.5. The Combined Authority Board may request the committee to assist in the development of key strategies to carry out and manage delivery of those key strategies including consultation processes and preparation of draft strategies.
- 2.6. The Combined Authority Board may further decide to refer any individual matters to the committee within its remit.
- 2.7. The Committee will have a key role in monitoring and evaluating the delivery of programmes and projects for the purposes of the Monitoring and Evaluation Framework.
- 2.8. The Committee can initiate proposals for the Combined Authority Board to consider.

Chapter 8 – Transport and Infrastructure Committee

3. Terms of Reference

Functions

- 3.1. The Transport Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):
 - (1) The Local Transport Plan.
 - (2) Bus Strategy.
 - (3) The transport revenue budget, including any transport levy.
 - (4) The annual programme of strategic transport projects and the associated capital investment budget.
 - (5) Borrowing powers exercised as the Local Transport Authority.
 - (6) Creation of the key route network.
- 3.2. The Transport Committee shall exercise the Combined Authority's functions for the following:
- 3.3. Assisting in policy development, particularly in the development of the Local Transport Plan and Bus Strategy;
- 3.4. Monitoring the delivery of those programmes and projects to enable delivery of the strategic transport network as approved by the Board;
- 3.5. Monitoring the annual programme of transport and infrastructure projects agreed by the Board;
- 3.6. Within the delegation of functions and budget approved by the Board to approve the commissioning of delivery partners, and authorising budget release for transport and infrastructure and delivery projects;
- 3.7. Monitoring the revenue and capital transport budget for the purpose of assisting decisions by Board;
- 3.8. Overseeing the development of the annual transport levy;
- 3.9. Monitoring the delegation of passenger transport functions to delivery partners;
- 3.10. Monitoring the delivery of projects by delivery partners;
- 3.11. Monitoring agreements with the Minister or strategic highways companies for the exercise of functions relating to the strategic network;

Chapter 8 – Transport and Infrastructure Committee

- 3.12. Overseeing the development and implementation of policies and programmes relating to:
 - (a) Clean Air
 - (b) Energy and Clean Growth
 - (c) Renewable energy
 - (d) Security of energy supply
- 3.13. Overseeing strategic relationships with utility providers;
- 3.14. Matters initiated by the committee can be referred to the Board.

4. Strategic and Budget Framework

- 4.1. The Committee should ensure schemes contribute and meet the targets in the 2030 Ambitions, the 4 year plan and specific strategies. The committee must act within existing budgets and strategic frameworks. Any decisions must be within the parameters agreed by the board.

5. Accountability

- 5.1. The Committee is accountable to the Combined Authority Board.

6. Membership

- 6.1. The Transport Committee shall comprise five members to include:
 - (a) The Chair
 - (b) Board Member for Cambridgeshire County Council
 - (c) Board Member for Peterborough City Council
 - (d) Board Member from Cambridge City Council or South Cambridgeshire District Council
 - (e) Board Member of the Combined Authority Board (representing the wider county geography)
- 6.2. The Combined Authority Board shall appoint the committee and substitute members. Board members may nominate their substitute member on the Board or another member from a constituent council to be a member of the committee. The Board member shall also nominate a named substitute member. Nominations are subject to approval by the Board.

Chapter 8 – Transport and Infrastructure Committee

7. Lead Director

7.1. The Lead Director for the Committee is:

- (a) Director of Infrastructure
- (b) Transport Director

Chapter 9 - Skills Committee

1. Governance

- 1.1. The Combined Authority has appointed a Skills Committee. The committee is an executive committee of the Combined Authority Board.

2. Introduction

- 2.1. The Skills Committee operates within the terms agreed by the Combined Authority Board.
- 2.2. The Combined Authority Board retains responsibility for agreeing key strategies (Skills Strategy, and other key strategies as it determines). These are known as the 'reserved matters'.
- 2.3. The Combined Authority Board will determine all matters requiring a budget allocation, which may then be delegated to the committee to deliver.
- 2.4. The Combined Authority will determine all business cases, which may be delegated to the committee to deliver.
- 2.5. The Combined Authority Board may request the committee to assist in the development of key strategies to carry out and manage delivery of those key strategies including consultation processes and preparation of draft strategies.
- 2.6. The Combined Authority Board may further decide to refer any individual matters to the committee within its remit.
- 2.7. The Committee will have a key role in monitoring and evaluating the delivery of programmes and projects for the purposes of the Monitoring and Evaluation Framework.
- 2.8. The Committee can initiate proposals for the Combined Authority Board to approve.

3. Terms of Reference

Chapter 9 – Skills Committee

Functions

- 3.1. The Skills Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):
 - (1) Skills Strategy
 - (2) The skills budget, innovation fund and the Adult Education Fund
- 3.2. The Skills Committee shall exercise the Combined Authority's functions for the following:
- 3.3. Assisting in policy development, particularly in the development of the Industrial Strategy and the Skills Strategy;
- 3.4. Approving actions within business cases approved by the Board and the release of funds for the University of Peterborough project within the agreed budget;
- 3.5. Approving the commissioning of delivery partners, and authorising budget release for strategic skills projects;
- 3.6. Monitoring the skills budget;
- 3.7. Approving and overseeing the delivery of the Skills Strategy Framework and Action Plan;
- 3.8. Approving the process to deliver the adult education functions and the devolution of the Adult Education Budget;
- 3.9. Assisting the development of employer-focused schemes, approving projects and overseeing delivery;
- 3.10. Approving projects to be funded from the Innovation fund and the Health and Care Sector Work Academy;
- 3.11. Monitoring the 16 plus Area Review outcomes;
- 3.12. Monitoring the delivery of projects by delivery partners;
- 3.13. Monitoring the delivery of the Apprenticeships and Pathways to Employment Scheme;
- 3.14. Monitoring the establishment of the coordinated Employer-focused Skills System;

Chapter 9 – Skills Committee

- 3.15. Overseeing consultation with key stakeholders;
- 3.16. Coordination with the Department for Education on the Opportunity Area programme;
- 3.17. Overseeing delivery of Centre for Skills (in conjunction with the Business Board)
- 3.18. Overseeing coordination with Department of Work and Pensions and the Work and Health Programme;
- 3.19. Matters initiated by the committee can be referred to the Board

4. Strategic and Budget Framework

- 4.1. The Committee should ensure schemes contribute and meet the targets in the 2030 Ambitions, the 4 year plan and specific strategies. The committee must act within existing budgets and strategic frameworks. Any decisions must be within the parameters agreed by the board.

5. Accountability

- 5.1. The Committee is accountable to the Combined Authority Board.

6. Membership

- 6.1. The Skills Committee shall comprise four members:
 - (a) Chair
 - (b) Two Board members
 - (c) Board Member from Cambridge City Council or South Cambridgeshire District Council
- 6.2. The Combined Authority Board shall appoint the committee and substitute members. Board members may nominate their substitute member on the Board or another member from a constituent council to be a member of the committee. The Board member shall also nominate a named substitute member. Nominations are subject to approval by the Board.

7. Lead Director

Chapter 9 – Skills Committee

7.1. The Lead Director for the Committee is:

- (a) Director of Business and Skills
- (b) Assistant Director, Skills

Chapter 10 - Housing and Communities Committee

1. Governance

- 1.1. The Combined Authority has appointed a Housing and Communities Committee. The committee is an executive committee of the Combined Authority Board.

2. Introduction

- 2.1. The Housing and Communities Committee operates within the terms agreed by the Combined Authority Board.
- 2.2. The Combined Authority Board retains responsibility for agreeing key strategies (Housing Strategy, Housing Investment fund, programme of housing projects etc). These are known as the 'reserved matters'.
- 2.3. The Combined Authority Board will determine all matters requiring a budget allocation, which may then be delegated to the committee to deliver.
- 2.4. The Combined Authority will determine all business cases, which may be delegated to the committee to deliver.
- 2.5. The Combined Authority Board may request the committee to assist in the development of key strategies to carry out and manage delivery of those key strategies including consultation processes and preparation of draft strategies.
- 2.6. The Combined Authority Board may further decide to refer any individual matters to the committee within its remit.
- 2.7. The Committee will have a key role in monitoring and evaluating the delivery of programmes and projects for the purposes of the Monitoring and Evaluation Framework.
- 2.8. The Committee can initiate proposals for the Combined Authority Board to consider.

Chapter 10 – Housing and Communities Committee

3. Terms of Reference

Functions

- 3.1. The Housing and Communities Committee may make recommendations on the following matters to the Combined Authority Board (reserved matters):
 - (1) Housing Strategy
 - (2) The Housing Investment Fund
 - (3) The programme of housing projects
- 3.2. The Housing and Communities Committee shall exercise the Combined Authority's functions for the following:
- 3.3. Assisting in policy development, particularly in the development of the Housing Strategy and overseeing its implementation.
- 3.4. Approving housing projects within the Housing Investment Fund (as allocated by the Board) and within approved budget.
- 3.5. Monitoring the commissioning of delivery partners and agreeing the staged release of budget for housing projects as approved by the Board.
- 3.6. Monitoring the Housing Investment Fund for reporting to Board.
- 3.7. Monitoring the delivery of projects by delivery partners for reporting to Board.
- 3.8. Overseeing the development of proposals for strategic investment in housing, such as Land Value Capture and the Community Land Trust Programme.
- 3.9. Overseeing the development of strategies for:
 - (a) Culture and Tourism,
 - (b) Open Space and Amenities
 - (c) Consultation
 - (d) Engagement with social action and the voluntary, community and social enterprise sector
- 3.10. Overseeing the delivery of the Connecting Cambridgeshire Project by Cambridgeshire County Council.
- 3.11. Overseeing Wellbeing and Public Health issues across all Portfolios.

Chapter 10 – Housing and Communities Committee

- 3.12. Matters initiated by the committee can be referred to the Board.

4. Strategic and Budget Framework

- 4.1. The Committee should ensure schemes contribute and meet the targets in the 2030 Ambitions, the 4 year plan and specific strategies. The committee must act within existing budgets and strategic frameworks. Any decisions must be within the parameters agreed by the board.

5. Accountability

- 5.1. The Committee is accountable to the Combined Authority Board.

6. Membership

- 6.1. The Committee shall comprise four members:
- (a) Chair
 - (b) Two Board member
 - (c) Board Member from Cambridge City Council or South Cambridgeshire District Council
- 6.2. The Combined Authority Board shall appoint the committee and substitute members. Board members may nominate their substitute member on the Board or another member from a constituent council to be a member of the committee. The Board member shall also nominate a named substitute member. Nominations are subject to approval by the Board.

7. Lead Director

- 7.1. The Lead Director for the Committee is:
- (a) Director of Business and Skills
 - (b) Housing Director

Chapter 11 - Procedure rules of Executive Committee meetings

1. Access to meetings

- 1.1. The Transparency Rules, Forward Plan and Key Decisions apply to all committees, sub-committees and joint committees. [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)

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2. Membership

- 2.1. The membership of committees is set out in its terms of reference.
- 2.2. If a member fails throughout a period of six consecutive months from the date of their last attendance to attend any meeting of the committee, then, subject to certain exceptions, they cease to be a member of the committee.
- 2.3. A person will cease to be a member or a substitute member of an Executive Committee if they cease to be a Member of the Constituent Council that nominated or appointed them. The Combined Authority Board Member shall appoint or nominate a replacement as soon as possible.
- 2.4. A member or substitute member may resign by giving written notice to the Monitoring Officer, and the resignation takes effect on the receipt of the notice.
- 2.5. The relevant Combined Authority Board Member shall at any time be entitled to terminate the appointment of a member or substitute member nominated by them and replace that member or substitute Member, subject to the approval of the nomination by the Combined Authority Board.
- 2.6. The Combined Authority Board Member must give written notice of the new nomination and the termination of the previous nomination to the Monitoring Officer. The termination will take effect immediately. The new appointment shall take effect after the nomination has been approved by the Combined Authority Board.

Chapter 11 – Procedure rules of Executive Committee meetings

3. Quorum

- 3.1. No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present.

4. Chair and Vice-Chair

- 4.1. The Combined Authority Board shall appoint the Chair on the recommendation of the Mayor and he/she shall be the lead portfolio holder for the functions of the committee. No vice-chair shall be appointed. The committee shall appoint a chair for the meeting when the chair is absent.
- 4.2. Portfolio holders have a strategic role in leading the development of future policy and budget allocations for approval at Board. They work directly with officers to give guidance in the development of future policy. A chair shall fulfil this same role and has an additional responsibility of chairing a committee to operate within the agreed delegations for matters approved by the Board.

5. Voting

- 5.1. Each member of the committee is to have one vote and no member (including the Chair) is to have a casting vote.
- 5.2. Any questions that are to be decided by the committee are to be decided by a simple majority of the Members present and voting unless special voting rules apply. If a vote is tied on any matter it is deemed not to have been carried. Special voting arrangements are set out in [Chapter 5 - Proceedings of Meetings](#), paragraph 16.

6. Minutes and Call-in of Committee Decisions

- 6.1. The Monitoring Officer shall publish details of decisions of the committee on the Combined Authority website and to all Members of the Committee, the Board Members and the Overview and Scrutiny Committee. Where the decision is made at a meeting, this shall be no later than the close of business on the third clear working day following the day of the meeting at which the decision was made.

Chapter 11 – Procedure rules of Executive Committee meetings

- 6.2. Three Members of the Board may call-in a decision of the committee by notifying the Monitoring Officer. The decision will not be implemented and will be referred to the Combined Authority Board for review and decision.
- 6.3. On receipt of a call-in request, the Monitoring Officer shall:
 - (a) notify the Mayor, Members of the Combined Authority Board, Members of the Committee and Members of the Overview and Scrutiny Committee, of the call-in; and
 - (b) either call a meeting of the Board or refer the matter to the next scheduled Board meeting.
- 6.4. If a key decision is suspended, it is not available to be called in by the Overview and Scrutiny Committee until the Board has met and reviewed the committee's decision and either confirmed, amended or rescinded the decision. The Overview and Scrutiny Committee shall have five days after publication of the Board decisions to call in a key decision, in accordance with the Overview and Scrutiny Committee's call in arrangements set out in [Chapter 13 - Overview and Scrutiny Committee](#).

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Chapter 12 - Employment Committee

1. Governance

- 1.1. The Combined Authority has appointed an Employment Committee. The committee is an executive committee of the Combined Authority Board.

2. Terms of Reference

- 2.1. To appoint and dismiss Chief & Deputy Chief Officers as defined in the Officer Employment Procedure Rules, and determine terms and conditions of employment.
- 2.2. To make recommendations to Combined Authority on the appointment and dismissal of the Monitoring Officer, S73 Officer and the Chief Executive
- 2.3. To determine employment procedures, including dismissal procedures.
- 2.4. To determine local terms and conditions of employment for employees.
- 2.5. To consider, and recommend appropriate actions where necessary in response to proposals relating to changes within a Department's/Division's structure which involve substantial changes in the responsibilities of first and second tier posts;
- 2.6. To promote and pursue a policy of equal opportunities in employment.
- 2.7. To determine pension policies.
- 2.8. To set up sub-committees. Any sub-committees shall be exempt from the political balance rules.

3. Membership

- 3.1. The Employment Committee shall consist of six members to include:
- (a) The Mayor as Chair
 - (b) The Statutory Deputy Mayor as Vice-Chair
 - (c) The Constitutional Deputy Mayor
 - (d) Board member for Cambridge City Council (to maintain political balance)

Chapter 12 –Employment Committee

(e) Two other Board members taken in rotation which must include the relevant Portfolio Holder when interviewing for to a particular Chief Officer post.

3.2. Board members and their substitutes may also substitute for the core membership.

4. Chair and Vice-Chair

4.1. The Combined Authority Board has appointed the Mayor as Chair and the statutory Deputy Mayor as Vice Chair.

5. Quorum

5.1. No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present. (four members)

6. Voting

6.1. Each Member of the Committee is to have one vote and no Member (including the Chair) is to have a casting vote.

6.2. Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

Chapter 13 - Overview and Scrutiny Committee

Part 1 – Functions

1. Governance

- 1.1. The Combined Authority Board has appointed an Overview and Scrutiny Committee. The committee is a statutory, non-executive committee.

2. Functions

- 2.1. The Committee shall have the power to:
- (a) review or scrutinise decisions made, or other action taken, in connection with:
 - (i) the discharge of any functions which are the responsibility of the Combined Authority;
 - (ii) the discharge by the Mayor of any general functions;
 - (iii) any Combined Authority decision in its role as accountable body for the Business Board. The Combined Authority's Scrutiny Officer shall ensure that this includes appropriate scrutiny of Business Board decision-making and achievements.
 - (b) make reports or recommendations to the Combined Authority Board:
 - (i) with respect to the discharge of any functions that are the responsibility of the authority;
 - (ii) on matters that affect the authority's area or the inhabitants of the area;
 - (c) make reports or recommendations to the Mayor:
 - (i) with respect to the discharge of any general functions;
 - (ii) on matters that affect the authority's area or the inhabitants of the area.

Chapter 138 – Overview and Scrutiny Committee

- 2.2. The power of the Committee under paragraph 2.1(a) includes the power to review or scrutinise a key decision made but not implemented and to:
- (a) direct that a decision is not to be implemented while it is under review by the Committee, and
 - (b) recommend that the decision be reconsidered.
- 2.3. In the exercise of its functions set out in the Constitution the power of the Committee shall include the doing of anything which is calculated to facilitate, or is conducive or incidental to the discharge of those functions.

3. Membership

- 3.1. The Combined Authority must appoint at least one Member from each of the Constituent Councils to the Committee. The membership of the Committee taken as a whole shall reflect so far as reasonably practicable the balance of political parties for the time being prevailing among Members of the Constituent Councils collectively.
- 3.2. The Combined Authority may appoint at least one Substitute Member from each Constituent Council. The Substitute Members shall be from the same political party as the Member being substituted to maintain the political balance.
- 3.3. A change in the party political composition of any of the Constituent Councils shall require a review of the membership of the Committee in order to determine whether any amendment to its membership is required. If the review requires a change in membership, Constituent Councils will be advised of any changes they will need to make to their appointments at the earliest opportunity.
- 3.4. The Overview and Scrutiny Committee may not include any Member or Substitute Member of the Combined Authority including the Mayor nor any Officer of the Combined Authority or of any of the Constituent Councils.
- 3.5. Within the period of 28 days of the appointment being made to the Committee, the Combined Authority shall publish a notice on its website which:
- (a) states that it has made an appointment;
 - (b) identifies each Member of the Committee who has been appointed and any Substitute Members; and

Chapter 138 – Overview and Scrutiny Committee

- (c) specifies the term of office of those appointed.
- 3.6. The term of office shall be one year from the date of the Annual Meeting of the Constituent Councils that appointed them to the Committee unless:
- (a) they cease to be an elected Member of the Constituent Councils that appointed them;
 - (b) they no longer wish to participate in the scrutiny arrangements and communicate this in writing to the Proper Officer of their Constituent Councils; or
 - (c) the Combined Authority is advised by any of the Constituent Councils that it wishes to change one or more of its appointees to the Committee.
- 3.7. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

4. Chair and Vice-Chair

- 4.1. The Committee shall appoint the Chair and Vice-Chair of the Committee and the Chair and Vice-Chair will be elected Members of one of the Constituent Councils.
- 4.2. The Committee must ensure that the person appointed as the Chair is an “appropriate person” who is an elected Member of one of the Constituent Councils but is not a Member of the registered political party of which the Mayor is a member.
- 4.3. Where the Mayor is not a member of a registered political party, a person may not be appointed as Chair if that person is:
- (a) a member of the registered political party which has the most representatives among the Members of the Constituent Councils on the Combined Authority, or
 - (b) where two or more parties have the same number of representatives, a Member of any of those parties.

Chapter 138 – Overview and Scrutiny Committee

5. Working Groups

- 5.1. The Committee may appoint informal non-decision making working groups to contribute to and inform the scrutiny process.

Part 2 – Procedure Rules

1. Access to meetings

- 1.1. The public may attend meetings and have access to agenda, reports and minutes in accordance with the Transparency rules in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#).

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2. Meetings

- 2.1. The Committee shall meet at least once a year.
- 2.2. An extraordinary meeting of the Committee may be called by:
- (a) the Chair of the Committee; or
 - (b) any five Members of the Committee;
 - (c) the Chief Executive.

3. Quorum

- 3.1. No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present.

4. Voting

- 4.1. Each Member of the Committee appointed from the Constituent Councils is to have one vote and no Member (including the Chair) is to have a casting vote.
- 4.2. Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

Chapter 138 – Overview and Scrutiny Committee

5. Conflicts of Interest

- 5.1. Members must comply with the Member Code of Conduct within this Constitution.
- 5.2. No Member of the Committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a Member of the decision making body which made that decision.
- 5.3. Such a Member may only attend the Committee to:
 - (a) make representations;
 - (b) answer questions; or
 - (c) give evidence about the decision.

6. Work Programme

- 6.1. The Committee will set its own work programme.

7. Requests to Overview and Scrutiny

- 7.1. The Mayor or Combined Authority Board may ask the Committee to review any of its functions or assist in developing budget and policy proposals.

8. Reference of Matters to Committees

- 8.1. Any of the following may request a matter to be included on the agenda of the Overview and Scrutiny Committee provided it is relevant to the functions of the Combined Authority and not an excluded matter:
 - (a) any Member of the Overview and Scrutiny Committee;
 - (b) any Member of the Combined Authority; and
 - (c) any Member of a Constituent Council of the Combined Authority.
- 8.2. An “excluded matter” means any matter which is a local crime and disorder matter.
- 8.3. The request must be submitted to the Monitoring Officer who will arrange for the item to be placed on the agenda of the next available meeting. The

Chapter 138 – Overview and Scrutiny Committee

request should state why the Member considers it appropriate for the Committee to exercise any of these powers in relation to the matter and the Committee must have regard to these reasons.

- 8.4. If the Committee decides not to exercise any of its powers to review or scrutinise decisions made, or other action taken, in connection with:
- (a) the discharge of any functions which are the responsibility of the authority;
 - (b) in connection with the discharge by the Mayor of any general functions;

it must notify the Member of its decision; and the reasons for it.

- 8.5. The Committee must provide the Member with a copy of any report or recommendations which it makes in connection with the matter.

9. Attendees

- 9.1. The Committee shall have the power to:

- (a) require Members (including the Mayor and Deputy Mayor), members of an executive committee or Officers of the Combined Authority to attend before it to answer questions, or provide information about any matter within its terms of reference;
- (b) request any Business Board member to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.
- (c) invite other people, including members of the public, to attend meetings of the Committee to give evidence.

- 9.2. Where the Committee requires a Member, Officer or others to attend, the Monitoring Officer shall inform them in writing giving at least five clear working days' notice of the meeting. The notice will state:

- (a) the date of the meeting they are required to attend;
- (b) the nature of the item; and
- (c) whether they must produce any papers for the Committee.

Chapter 138 – Overview and Scrutiny Committee

- 9.3. A Member or Officer must comply with any notice they are given.
- 9.4. Where, in exceptional circumstances, the Member or Officer is unable to attend on the required date, the Committee shall consult with the Member or Officer to arrange an alternative date.
- 9.5. A person is not obliged to answer any question which he or she would be entitled to refuse to answer in relation to court proceedings.

10. Publishing Reports or Recommendations

- 10.1. The Committee may publish any report or recommendations but
 - (a) must exclude any confidential information; and
 - (b) may exclude any relevant exempt information.
- 10.2. Where information is excluded, the Committee:
 - (a) may replace so much of the document as discloses the information with a summary which does not disclose that information; and
 - (b) must do so if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

11. Notice

- 11.1. The Committee may by notice require the Combined Authority or the Mayor within two months of receiving any report or recommendations, to:
 - (a) consider the report or recommendations;
 - (b) respond to the Committee indicating what (if any) action the Combined Authority or the Mayor proposes to take;
 - (c) publish the response, if the Overview and Scrutiny Committee has published the report or recommendations.
- 11.2. The Combined Authority or the Mayor shall comply with any notice given.

12. Publishing a Response

- 12.1. In publishing the response, the Combined Authority or the Mayor:

Chapter 138 – Overview and Scrutiny Committee

- (a) must exclude any confidential information; and
 - (b) may exclude any relevant exempt information.
- 12.2. Where information is excluded, the Combined Authority or the Mayor:
- (a) may replace so much of the document as is necessary to exclude the exempt or confidential information with a summary which does not disclose that information; and
 - (b) if, in consequence of excluding the information, the document published would be misleading or not reasonably comprehensible.

13. Call-in of Combined Authority and Mayoral Decisions

- 13.1. The power of the Overview and Scrutiny Committee to review or scrutinise a key decision made but not implemented includes:
- (a) the power to direct that the decision is not to be implemented while it is under review by the Committee for a period not exceeding 14 days from the date the direction is issued, and
 - (b) the power to recommend that the decision be reconsidered.
- 13.2. Subject to the consent of the Combined Authority to the proposals and arrangements, the Committee must publish details of how it proposes to exercise its powers in relation to the review and scrutiny of key decisions made but not yet implemented and its arrangements in connection with those powers.

Publication of Decisions

- 13.3. The Monitoring Officer shall publish details of key decisions of the Mayor, the Combined Authority Board, an executive committee and Officers on the Combined Authority website and to all Members of the Committee. Where the decision is made at a meeting, this shall be no later than the close of business on the third clear working day following the day of the meeting at which the decision was made.
- 13.4. A decision on a matter dealt with under the urgency provisions set out in the Transparency Rules, Forward Plan and Key Decisions in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#) may be implemented immediately.

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Chapter 138 – Overview and Scrutiny Committee

- 13.5. Any other key decision of the Mayor, Combined Authority Board, executive committees or an Officer may be implemented after 5.00pm of the fifth clear working day after the publication of the decision, unless it is called-in.
- 13.6. If a key decision of an executive committee is called in by the Combined Authority Board, the call in arrangements for overview and scrutiny shall be suspended until the Board have met. In accordance with these rules the Board's decision will be published and any key decisions will be subject to call-in.

Process

- 13.7. Five Members of the Overview and Scrutiny Committee may call-in a key decision of the Mayor, the Combined Authority Board, an executive committee or an Officer for scrutiny by notifying the Monitoring Officer.
- 13.8. On receipt of a call-in request, the Monitoring Officer shall:
- (c) notify the Mayor, Members of the Combined Authority, members of the executive committee or Officer of the call-in; and
 - (d) call a meeting of the Overview and Scrutiny Committee to scrutinise the decision.

Scrutinising the Decision

- 13.9. The Committee must scrutinise the decision within 10 clear working days of the Monitoring Officer receiving the request for call-in. If it does not meet within this time or does not conclude its scrutiny of the decision, the decision will automatically take effect at the end of the period.
- 13.10. Where the Committee has scrutinised a decision, it may:
- (a) endorse the decision; or
 - (b) refer the decision back to the Mayor, Combined Authority Board, the executive committee or the Officer for reconsideration, setting out, in writing the nature of its concerns.
- 13.11. A decision which has been endorsed by the Committee may be implemented immediately.
- 13.12. Where a decision has been referred back, the Mayor, the Combined Authority Board, the executive committee or Officer shall hold a meeting to

Chapter 138 – Overview and Scrutiny Committee

reconsider the decision no later than 10 days after the date on which the recommendations of the Committee were received by the Combined Authority unless it is dealt with under the urgency provisions within the Constitution, where the matter becomes urgent.

- 13.13. A decision will be urgent if any delay likely to be caused by the call in process would seriously prejudice the Combined Authority's, Constituent Councils' or the public's interests. Otherwise, a decision which has been recommended for re-consideration may not be implemented.

Re-considering the Decision

- 13.14. The Chair of the Overview and Scrutiny Committee or their nominee may attend any meeting which is re-considering the decision, to present the report or recommendations.
- 13.15. The Mayor, Combined Authority, the executive committee or the Officer may confirm, amend or rescind the decision.
- 13.16. A decision which has been confirmed or amended may be implemented immediately.

14. Linking Sub-regional Scrutiny with Local Scrutiny

- 14.1. Where a constituent council has scrutiny arrangements, tThe Scrutiny Officer of each Constituent Council will ensure that the work programme and minutes relating to the work carried out by the Combined Authority's Overview and Scrutiny Committee are circulated appropriately within their own Constituent Councils' scrutiny arrangements.

15. Additional Rights of Access to Documents for Members of Overview and Scrutiny

- 15.1. Additional rights of access to documents for Members of the Overview and Scrutiny Committee are set out in Chapter 6 - Transparency Rules, Forward Plan and Key Decisions.

16. Scrutiny Officer

- 16.1. The Combined Authority shall appoint a "Scrutiny Officer" to
- (a) promoting the role of the Committee, and

Chapter 138 – Overview and Scrutiny Committee

- (b) providing support and guidance:
 - (i) to the Committee, its Working Groups and its Members, and
 - (ii) to Members of the Combined Authority and to the Mayor in relation to the functions of the Overview and Scrutiny Committee.
- 16.2. The Combined Authority may not designate as the Scrutiny Officer any Officer of a constituent council of the Combined Authority.

Annex 1

The current membership of the Overview and Scrutiny Committee is two Members from each constituent Council. (14 Members). The quorum is 10 members.

Chapter 14 - Audit and Governance Committee

Part 1 – Functions

1. Governance

- 1.1 The Combined Authority has appointed an Audit and Governance Committee. The committee is a statutory, non-executive committee.

2. Functions

- 2.1. The Audit and Governance Committee shall have the following statutory powers to:
- (a) review and scrutinise the authority's financial affairs;
 - (b) review and assess the authority's risk management, internal control and corporate governance arrangements;
 - (c) review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; and
 - (d) make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs (a) (b) and (c);
 - (e) Implement the obligation to ensure high standards of conduct amongst Members.

3. Terms of Reference

- 3.1. The Audit and Governance Committee shall:

Accounts

- 3.2. Approve the annual statement of accounts;

Governance

- 3.3. Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;

Chapter 14 – Audit and Governance Committee

- 3.4. Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;
- 3.5. Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;
- 3.6. Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;
- 3.7. Monitor the anti-fraud and whistle blowing policies and the complaint process;

Internal Audit

- 3.8. Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
- 3.9. Review internal audit requirements undertaken by the Combined Authority;
- 3.10. Approve the internal audit plan;
- 3.11. Consider reports and assurances from the Chief Finance Officer in relation to:
 - (a) Internal Audit performance;
 - (b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;
 - (c) Risk management and assurance mapping arrangement;
 - (d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable.

External Audit

- 3.12. Review the annual accounts;
- 3.13. Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Chapter 14 – Audit and Governance Committee

Financial Reporting

- 3.14. Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
- 3.15. Consider any issues arising from External Auditor's audit of the account;
- 3.16. Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
- 3.17. Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Code of Conduct

- 3.18. Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;
- 3.19. Assisting the Members and Co-opted Members to observe the Code of Conduct;
- 3.20. Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;
- 3.21. Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

General

- 3.22. Report and make recommendations to the Combined Authority in relation to the above.

4. Membership

- 4.1. The Combined Authority Board shall decide the size and membership of the Audit and Governance Committee and shall include one Independent Person.
- 4.2. In appointing Members to the Committee, the Combined Authority Board must ensure that the Members of the Committee taken as a whole reflect so

Chapter 14 – Audit and Governance Committee

far as reasonably practicable the balance of political parties for the time being prevailing among Members of the Constituent Councils when taken together.

- 4.3. The Committee may not include any Officer of the Combined Authority or of a Constituent Council.
- 4.4. The Combined Authority Board shall appoint at least one Substitute Member from each Constituent Council.
- 4.5. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

5. Chair and Vice-Chair

- 5.1. The Combined Authority Board shall appoint the Chair and Vice-Chair.

6. Sub-Committees

- 6.1. The Committee may appoint one or more sub-committees and arrange for the discharge of any of its functions by any such sub-committee.
- 6.2. The Committee shall appoint hearings panel to hear any complaints where the Member is alleged to have breached to Code of Conduct.

7. Hearing Panel (Sub-Committee to the Audit and Governance Committee)

- 7.1. The Hearings Panel is a Sub-Committee of the Audit and Governance Committee.
- 7.2. The Panel has the following functions:
 - 7.2.1. When matters are referred by the Monitoring Officer granting dispensations to Members and Co-opted Members allowing them to:
 - (a) participate in the debate; and/or
 - (b) vote on any matter in which they have a disclosable pecuniary interest;
 - 7.2.2. On matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated;

Chapter 14 – Audit and Governance Committee

- 7.2.3. Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints procedure;
- 7.2.4. The agreement of relevant procedures for the undertaking of its functions, when appropriate to be included within the Constitution.

Part 2 – Procedure Rules

1. Access to Meetings

- 1.1 The public may attend meetings and have access to agenda, reports and minutes in accordance with the Transparency Rules, Forward Plan and Key Decisions in [chapter 6](#).

2. Meetings

- 2.1 The Committee will meet at least once a year.
- 2.2 An extraordinary meeting of an Audit and Governance Committee may be called by:
 - (a) the Chair of the Committee; or
 - (b) the Head of Paid Service.

3. Quorum

- 3.1 No business is to be transacted at a meeting of the Committee unless at least two-thirds of the total number of Members on the Committee are present.

4. Voting

- 4.1 Each Member of the Committee appointed from the Constituent Councils is to have one vote and no Member (including the Chair) is to have a casting vote.
- 4.2 Members of the Committee who are appointed other than from the Constituent Councils shall be non-voting Members of the Committee but may be given voting rights by resolution of the Combined Authority.
- 4.3 Any questions that are to be decided by the Committee are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

Chapter 14 – Audit and Governance Committee

5. Conflicts of Interest

- 5.1 Members must comply with the Member Code of Conduct.
- 5.2 No Member of the Committee may scrutinise a decision (whether or not implemented) in which they were directly involved as a Member of the decision making body which made that decision.
- 5.3 Such a Member may only attend the Committee to:
 - (a) make representations;
 - (b) answer questions; or
 - (c) give evidence about the decision.

6. Appointment of Independent Person

- 6.1 The Committee must have at least one independent person. The appointment must be made by the Combined Authority Board.
- 6.2 A person is independent if the person:
 - (a) is not a Member, Co-opted Member or Officer of the authority;
 - (b) is not a Member, Co-opted Member or Officer of a parish council for which the authority is the principal authority;
 - (c) is not a **relative**, or close friend, of a person within sub-paragraph (a) or; and
 - (d) was not at any time during the past five years been:
 - (i) a Member, Co-opted Member or Officer of the authority; or
 - (ii) a Member, Co-opted Member or Officer of a parish council for which the Authority is the principal Authority.

Term of Office

- 6.3 Each independent person will serve a term of four years, which may be renewed up to a maximum of one further term (i.e. total maximum eight years).

Chapter 14 – Audit and Governance Committee

Appointments Process:

- 6.4 The vacancy for the Independent Person must be advertised in such manner as the Combined Authority considers is likely to bring it to the attention of the public. The person must submit to the Combined Authority an application to fill the vacancy, and the person's appointment has been approved by a majority of the Members of the Combined Authority Board.
- 6.5 The position of Independent Person shall be advertised on the Combined Authority's website, along with the website of each constituent authority.

7. Procedures at meetings

- 7.1 The Combined Authority Transparency Rules, Forward Plan and Key Decisions in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#) will apply.

Annex 1

The current membership of the Audit and Governance Committee is one members from each constituent Council and one independent person. (eight Members). The quorum is six members.

Chapter 15 - Financial Management Procedure Rules

Financial Regulations

Introduction

1. Financial Regulations Background and Purpose

- 1.1 The Combined Authority is a local authority for the purposes of the Local Government Act 1972. The Combined Authority will appoint Officers to undertake the statutory Head of Paid Service (Chief Executive), Chief Finance Officer and Monitoring Officer roles.
- 1.2 These regulations shall be read in conjunction with the Assurance Framework, [functions of the Combined Authority Board](#), [Functions of the Mayor](#), [Contract Procedure Rules](#), [the Budget Framework](#) and the [Scheme of Delegation to Officers](#).
- 1.3 These regulations lay down for the guidance of Members and Officers, principles to be followed in securing the proper administration of the Combined Authority's financial affairs and shall be reviewed at intervals of not more than three years. It is not expected that all aspects of these financial regulations will be required from day one, but to be in place to support the Combined Authority over time.
- 1.4 The Chief Finance Officer, as the Officer responsible for the proper administration of the Combined Authority's financial affairs, shall report to the Combined Authority Board any significant failure to comply with these regulations which comes to his/her attention.
- 1.5 The Head of Paid Service and the Chief Finance Officer shall be responsible for the accountability and control of all resources managed by them on behalf of the Combined Authority.
- 1.6 For the purposes of complying with these regulations, the Chief Finance Officer shall be provided with any information he/she may require and shall have access to any documents and records as necessary.
- 1.7 Whenever any matter arises which may involve financial irregularity the Chief Finance Officer and the Monitoring Officer shall be notified immediately, and if an irregularity is disclosed the matter shall, at the discretion of the Chief Finance Officer and after consultation with the Head

Chapter 15 – Financial Management Procedure Rules

of Paid Service, be referred by them to the Combined Authority Board. Further, in a case where the Head of Paid Service advises that there is prima facie evidence of a criminal offence having been committed, the matter shall be reported to the Police forthwith.

- 1.8 The Combined Authority's financial transactions are governed by the Local Government Act 2003 and the Accounts and Audit Regulations 2015 as amended.
- 1.9 Officers and Members of the Board will maintain the confidentiality of the Combined Authority's business and will not reveal confidential information about the Combined Authority or its finances.

2. Chief Finance Officer's Duties:

- 2.1 The Chief Finance Officer's statutory duties are to:
- (a) provide financial advice to the Combined Authority on all aspects of its activity, including budgets, strategic planning and policymaking to ensure the effective and efficient use of resources;
 - (b) advise on the security of assets;
 - (c) secure the Combined Authority's banking arrangements;
 - (d) provide a treasury management function, including loans and investments, in accordance with the Combined Authority's policy;
 - (e) ensure the Combined Authority follows guidelines contained within relevant manuals, instructions and policies;
 - (f) produce the Annual Statement of Accounts in accordance with the latest statutory requirements and best practice.
- 2.2 The responsibilities of the Chief Finance Officer include:
- (a) proper administration of financial affairs;
 - (b) ensuring, in consultation with the Monitoring Officer, lawfulness and financial prudence;
 - (c) ensuring a balanced budget;

Chapter 15 – Financial Management Procedure Rules

- (d) ensuring effective systems of internal control;
 - (e) advising on anti-fraud and anti-corruption strategies;
 - (f) acting as the Combined Authority's Money Laundering Reporting Officer in accordance with good practice;
 - (g) ensuring that statutory and other accounts fairly present the financial position;
 - (h) maintaining a continuous review of the financial framework;
 - (i) establishing suitable accounting policies and ensuring that they are applied consistently in accordance with proper practices as set out in the Code of Practice on Local Authority Accounting in the United Kingdom;
 - (j) ensuring that budget provision is identified and exists for all existing and new employees.
- 2.3 All Officers must consult and seek approval of the Chief Finance Officer before introducing or amending any records, forms or procedures relating to income and expenditure. The Chief Finance Officer will see that uniform systems are adopted throughout the Combined Authority to ensure that opportunities for fraud and corruption are minimised.
- 2.4 Failure to comply with these regulations may constitute misconduct.

Financial Management

3. General

- 3.1 Where the Combined Authority has delegated delivery to a particular organisation and given budget for its delivery, then budget holders should follow their local organisation's rules for the processing of transactions. The Chief Finance Officer must agree someone to be the budget holder in advance of them becoming responsible for the budget.
- 3.2 Budget holders must still comply with the Combined Authority specific requirements (e.g. under sections 4, 7, and 13 as set out within these regulations. Each Officer of Constituent Councils and the Business Board is

Chapter 15 – Financial Management Procedure Rules

responsible for ensuring compliance with their local procedures and should seek appropriate advice and guidance from the Chief Finance Officer where necessary.

- 3.3 Each Officer of the Constituent Councils and the Business Board must provide the Chief Finance Officer with necessary information for the purposes of accounting and budgetary control in accordance with issued timescales.
- 3.4 The Chief Finance Officer will be responsible for producing regular financial monitoring reports to the Combined Authority and will submit as soon as possible after the year end, an annual Statement of Accounts which complies with the relevant statutory provisions.
- 3.5 The Chief Finance Officer is responsible for ensuring the production of the Combined Authority's Statement of Accounts, before 30 June and will submit the accounts to the Combined Authority for approval in line with the current statutory regulations.
- 3.6 Each Officer plays a key role in enabling the Statement of Accounts to be produced and is responsible for ensuring that guidance notes and the timetable provided by the Chief Finance Officer is adhered to.
- 3.7 The Accountable Officer in consultation with the lead of each Workstream must approve any expenditure incurred by Constituent Councils or the Business Board in accordance with their scheme of delegation and procedure rules.

4. Control of Projects and Programmes

- 4.1 Project and programme management arrangements are set out within the following documents:
 - (a) Combined Authority's Gateway process covering both revenue and capital programmes. The process sets out the documentation to be produced and the approvals to be sought at each Gateway stage.
 - (b) Assurance Framework for the Single Pot of Investment. An assurance framework is a set of systems, processes and protocols. It is designed to provide an evidence-based and independent assessment of the governance, risk management, and control processes of an organisation. All projects funded through the Single Investment Fund will be subject to a prioritisation, appraisal, and monitoring and evaluation procedure.

Chapter 15 – Financial Management Procedure Rules

- (c) Monitoring and Evaluation Plan. This sets out the approach to the commissioning of schemes and the criteria to enable monitoring of projects.

5. Control of Service and Works Contracts

- 5.1 The work to be performed on behalf of the Combined Authority shall be the subject of a specific agreement setting out the respective roles and duties of the Combined Authority and the agent authority.
- 5.2 Payments on account of construction contracts shall be in accordance with the terms of the works agreements with the appropriate body, and shall not exceed the expenditure properly calculated to be due.

Financial Planning

6. Budgets

- 6.1 The annual Capital and Revenue budgets for the Combined Authority are prepared within the context of the process and timescales of planning, programming and review as agreed by the Combined Authority.
- 6.2 From 2018/19 onwards, the budget will be set and approved in accordance with the [Chapter 7 - Budget Framework Procedure Rules](#).
- 6.3 The Chief Finance Officer will prepare a long term financial plan each year for submission to the Combined Authority Board as part of its Budget approval.
- 6.4 The detailed form of capital and revenue budgets and the business planning process will be determined by the Chief Finance Officer to the Combined Authority subject to any instructions given by the Combined Authority.
- 6.5 Estimates of annual income and expenditure will be prepared by Officers and the Chief Finance Officer in line with the approved business planning process.
- 6.6 The Chief Finance Officer will submit for Combined Authority approval a draft budget of all income and expenditure on Capital and Revenue accounts for the financial year beginning in April of each year in line with agreed approval processes and timescales.

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Chapter 15 – Financial Management Procedure Rules

- 6.7 Approval of the annual budgets, by the Combined Authority does not give authority to incur revenue and capital expenditure. This authority shall be obtained in accordance with the [Scheme of Delegation](#) and subject to compliance with the Combined Authority's [Contract Procedure Rules](#) and Gateway procedure.

7. Virements

- 7.1 The Chief Finance Officer is responsible for considering reports submitted by Officers in respect of virement proposals for revenue and capital expenditure.
- 7.2 In relation to revenue expenditure under control of Officers, the Chief Finance Officer is authorised to consider reports of Officers on any likely overspending, and to approve transfers between expenditure heads up to a maximum of £100,000.
- 7.3 In conjunction with Officers, the Chief Finance Officer is to report to and seek the prior approval of the Combined Authority Board for any revenue expenditure where it will have an adverse impact on a priority within the approved budget.

8. Reserves

- 8.1 The Chief Finance Officer will ensure that there are clear protocols for the establishment and use of reserves/provisions and, in consultation with Officers, will establish reserves and/or provisions and provide guidance on how to incur expenditure from reserves/provisions.
- 8.2 The Chief Finance Officer shall seek Combined Authority Board approval for the use of reserves in addition to that if already planned.

9. Control of Expenditure – Revenue and Capital

- 9.1 A system of budgetary control will be maintained and as part of this control the Chief Finance Officer will submit statements to meetings of the Combined Authority Board showing:
- (a) the progress of income and expenditure to date against the approved revenue budgets for the year;
 - (b) a forecast arising from the statements in (a) above of any material variation in income or expenditure anticipated for the financial year.

Chapter 15 – Financial Management Procedure Rules

- 9.2 An Officer must not order goods or services, which exceed the amount in their overall approved budget or which have not been approved through the Gateway process or Assurance Framework process for the Single Pot of investment.
- 9.3 If it becomes apparent that the Combined Authority's expenditure cannot be contained within the overall approved budget figure, an appropriate report shall be submitted to the Combined Authority.
- 9.4 Unspent budgets at the year-end will be carried forward or reallocated in accordance with arrangements in the business planning process approved by the Chief Finance Officer.
- 9.5 The Chief Finance Officer will ensure that the Combined Authority adheres to CIPFA's Prudential Code for Capital Finance in Local Authorities. The objective of the code is to provide a framework for capital finance that will ensure that:
- (a) capital expenditure plans are affordable in the short term;
 - (b) external borrowing and other long-term liabilities are within prudent and sustainable levels for the long-term;
 - (c) treasury management decisions are taken in accordance with professional good practice;
 - (d) In taking its decisions the Combined Authority is accountable through a clear and transparent framework;
 - (e) the framework should support local strategic planning, local asset management planning and option appraisal.
- 9.6 For the purposes of these regulations, capital expenditure is that expenditure which is to be financed from the approved Combined Authority's capital budget. All capital expenditure proposals should be the subject of the Combined Authority's Gateway project control process or Assurance Framework process for the Single Pot of Investment.
- 9.7 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities.

Chapter 15 – Financial Management Procedure Rules

- 9.8 The Scheme of Delegation states:
- (a) The Chief Finance Officer shall authorise and approve all expenditure incurred by the Combined Authority up to the value of £100,000.
 - (b) The Head of Paid Service and the Chief Finance Officer shall both authorise and approve all expenditure incurred by the Combined Authority over £100,000.
 - (c) In both the above cases, approval is provided the expenditure is included within the agreed revenue or capital budget and the Combined Authority has approved commencement of the scheme.

Risk Management and Control of Resources

10. Risk

- 10.1 Within the context of corporate risk arrangements, each Officer should undertake risk assessments for their areas of responsibility and any proposals for major change. Adequate controls, procedures and resources should be in place to manage and mitigate identified key risks.

11. Insurance

- 11.1 The Chief Finance Officer is authorised to effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.
- 11.2 Each Officer is however responsible for minimising the risk for insurance claims and putting in place risk management processes for their areas of responsibility.
- 11.3 Any Officer having responsibility for establishments or activities must:
- (a) promptly and where possible in advance notify the Chief Finance Officer in writing of the extent and nature of any new risks or increased risks to be insured;
 - (b) immediately notify the Chief Finance Officer in writing of any loss, liability or damage which is or may be covered by insurance;
 - (c) obtain the approval of the Chief Finance Officer regarding the terms of any indemnity, which the Combined Authority is requested to give;

Chapter 15 – Financial Management Procedure Rules

- (d) immediately inform the Chief Finance Officer of any occurrence which may lead to a claim against the Combined Authority.
- 11.4 All claims against the Combined Authority and all claims by the Combined Authority against other persons shall be approved within the delegated levels of expenditure.

12. Internal Control Framework

- 12.1 The Chief Finance Officer is responsible for maintaining adequate and effective internal control arrangements. This includes a continuous appraisal of all accounting, financial and other controls throughout the Combined Authority, and by the Combined Authority's Agents in accordance with the relevant agency agreement. The objectives of the framework are to:
- (a) review, appraise and report upon the soundness, adequacy and application of financial and related management controls;
 - (b) examine and report upon the extent to which the Combined Authority's assets and financial interests are accounted for and safeguarded from losses of all kinds arising from;
 - (i) fraud, corruption and other offences;
 - (ii) waste, extravagance, poor value for money or any other cause;
 - (c) contribute to the monitoring of the use of resources in the pursuit of the defined objectives of the Combined Authority;
 - (d) receive and act upon information concerning allegations or suspicions of fraud and corruption as detailed in the Combined Authority's approved Fraud and Corruption Response Plan.

13. Internal Audit

- 13.1 The Chief Finance Officer shall arrange internal audit and reviews of financial records and operations in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance. Those responsible for Internal Audit, on producing appropriate identification shall have authority to:
- (a) enter at all reasonable times on any land, premises or other assets of the Combined Authority;

Chapter 15 – Financial Management Procedure Rules

- (b) obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
 - (c) require and receive such explanations as are necessary concerning any matters under examination;
 - (d) require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control;
 - (e) report direct to the Head of Paid Service if considered appropriate so to do.
- 13.2 The Audit and Governance Committee will review the internal audit requirements of the Combined Authority, approve the internal audit plan and consider reports and assurances from the Chief Finance Officer in relation to internal audit.

14. External Audit

- 14.1 The key responsibilities of the Chief Finance Officer with regard to external audit are to:
- (a) ensure the appointment of external auditors in accordance with statutory requirements and Board decisions;
 - (b) maintain accounting records and prepare Statements of Account;
 - (c) liaise and work with the External Auditor on a regular basis;
 - (d) receive and deal with all queries relating to the work of External Audit;
 - (e) inform the External Auditor of all fraudulent cases that have been referred to the police.

15. Assurance Responsibilities

- 15.1 Each Officer has responsibility to ensure:
- (a) reviews that have taken place to evaluate, correct and report on controls and systems in place;

Chapter 15 – Financial Management Procedure Rules

- (b) compliance with the Combined Authority's Standing Orders, [Financial Regulations](#), [Contract Procedure Rules](#) and risk management requirements.

16. Fraud and Corruption

- 16.1 The responsibility for the prevention and detection of fraud rests with all employees. An Officer shall immediately inform the appropriate Officers of any circumstances which may suggest that there has been irregularity affecting cash, or other Combined Authority property and also of any payment or reward which has been accepted from any outside person or firm in respect of the work which such other person performs, as well as any impropriety or significant error in accounting or financial records or in relation to any contract for goods or services entered into by the Combined Authority.
- 16.2 Information received will be treated confidentially, and Officers should be assured that anonymity will be respected and it will not affect their employment situation or future prospects with the Combined Authority.
- 16.3 Any allegations received from outside the organisation, including anonymous letters or telephone calls will be taken seriously and investigated.
- 16.4 All cases of theft or suspected theft of Combined Authority property (no matter where the property was kept) must be promptly reported to the Audit Manager.
- 16.5 The Chief Finance Officer or Internal auditor shall be responsible for ensuring that the Combined Authority and the External Auditors are advised of any material loss or financial irregularity.
- 16.6 Internal Audit shall report to the Head of Paid Service, Monitoring Officer and the Chief Finance Officer.

17. Treasury Management

- 17.1 The Combined Authority has adopted the CIPFA Code of Practice on Treasury Management in Local Authorities. All investments of money will be made in the name of the Cambridgeshire and Peterborough Combined Authority.
- 17.2 The Treasury Management Strategy, prepared in accordance with the above code, will be adopted by the Combined Authority and thereafter its

Chapter 15 – Financial Management Procedure Rules

implementation and monitoring shall be delegated to the Chief Finance Officer.

- 17.3 The Chief Finance Officer will undertake any necessary borrowings in accordance with the Treasury Management Strategy.
- 17.4 All transfers from the Combined Authority's bank account shall be undertaken by authorised Officers nominated by the Chief Finance Officer according to Treasury Management procedures and authorisations.
- 17.5 The Chief Finance Officer will as a minimum report to the Combined Authority:
- (a) before the start of the financial year - a report on the strategy for the forthcoming year;
 - (b) by the end of June - an outturn report on Treasury Management activity;
 - (c) by the end December of each year a half year monitoring report on Treasury Management activities;
 - (d) by the end of December a monitoring report on external investments performance.
- 17.6 The Chief Finance Officer shall be responsible for ensuring that surplus funds are invested promptly, safely and effectively and in accordance with Treasury Management procedures.

18. Security of Assets

- 18.1 Officers shall be responsible for the proper security of all of the Combined Authority's assets within their control. The Officer shall consult the Chief Finance Officer regarding changes in matters regarding security.

Financial Systems and Procedures

19. Effective Management

- 19.1 The systems and processes operated by the Combined Authority must be managed effectively to:
- (a) provide customers and stakeholders with the best quality of service;

Chapter 15 – Financial Management Procedure Rules

- (b) ensure that net expenditure in their area of expenditure does not exceed the annual budget;
 - (c) comply with all relevant professional, managerial, legal and ethical standards;
 - (d) comply with the Combined Authority's procedures, regulations, standing orders, scheme of delegation and other relevant guidance and instructions issued.
- 19.2 Each Officer must ensure that there are adequate appropriate and clear reporting lines in operation within their area of responsibility.

20. Control of Expenditure - General

- 20.1 Incurring of all contractual liability must be in accordance with the approved Scheme of Delegation and individual accountabilities and in accordance with [Contract Procedure Rules](#). The Chief Finance Officer will maintain a record of all delegated authorities.
- 20.2 Detailed procedures for the authorisation and control of expenditure will be issued, from time to time, by the Chief Finance Officer in accordance with delegated authority levels.

21. Income Collection and Banking Arrangements

- 21.1 The Chief Finance Officer is responsible for the banking arrangements and is authorised to set up and operate such bank accounts as are considered appropriate. The banking arrangements must be reviewed on a regular basis and negotiations regarding banking terms and overdraft facilities undertaken.
- 21.2 Arrangements for the authorisation of payments to be made by electronic transfer of funds from bank accounts must be in accordance with laid down processes and procedures.
- 21.3 Each relevant Officer must ensure that all systems and procedures relating to income and banking, comply with Accounts and Audit Regulations 2015 and the Combined Authority's authorised procedures.
- 21.4 Particulars of charges to be made for work done, services rendered or goods supplied and of all other amounts must be promptly notified to the Chief Finance Officer. Any proposed introduction of, or variation to, charges must be in accordance with the agreed Scheme of Delegation.

Chapter 15 – Financial Management Procedure Rules

- 21.5 All accounts for income due to the Combined Authority must be sent out by the Chief Finance Officer, except where other arrangements have been authorised.
- 21.6 All Officers must supply information as the Chief Finance Officer may require to ensure that all sums receivable by the Combined Authority are promptly recorded, and recovery sought.
- 21.7 The Authority's banking arrangements shall be those approved by the Authority from time to time, and shall be supervised by the Chief Finance Officer.
- 21.8 Electronic payments either BACs or telegraphic transfer are to be authorised by the Chief Finance Officer or authorised Officers.

22. Debt Management

- 22.1 The Chief Finance Officer will have authority to recover debts, except in the case of legal action which should be undertaken in consultation with the Monitoring Officer.
- 22.2 Any individual who discovers any apparent loss or irregularity involving money due to or held on behalf of or property owned by the Authority shall immediately notify their line manager and Internal Audit. Internal Audit will then comply with the provisions of the Authority's approved Theft Procedure.

23. Purchase Orders

- 23.1 Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.
- 23.2 Expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.
- 23.3 Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the [Scheme of Delegation](#) have been obtained.

Chapter 15 – Financial Management Procedure Rules

24. Payment of Accounts

- 24.1 No payment shall be made unless supported by an invoice or pro-forma invoice, with VAT details, where appropriate.
- 24.2 Officers must ensure that all invoices, vouchers, etc. for payment by the Combined Authority are forwarded to the Finance Team immediately upon receipt and that the appropriate contract or order number is quoted on every invoice.
- 24.3 Once proper authorisations have been obtained, together with such additional explanations and information as may be required, the Chief Finance Officer will pay all accounts on behalf of the Combined Authority.
- 24.4 In order for an invoice to be paid, the responsible Budget Holder must confirm that the work, goods or services have been properly delivered in accordance with the order.
- 24.5 The receipt of all goods and services should only be made where:
 - (a) the works, goods or services have been received, carried out satisfactorily, examined as to quality and quantity;
 - (b) the goods and services have been previously receipted.
- 24.6 The certification of Goods Received acts as the authorisation to pay the invoices as long as the invoice matches the Goods Received entry.
- 24.7 Where an invoice is exempt from the ordering process, the invoice will be subject to electronic approval by following appropriate rules of delegation.

25. Allocation of funding to projects

- 25.1 The allocation of funding to projects shall be done in accordance with the processes as outlined in the Assurance Framework, based on guidance produced by DCLG.

26. Payments to Employees

- 26.1 The payment of all salaries, wages, pensions, compensation and all other emoluments to Officers or former Officers of the Combined Authority will be made by the Chief Finance Officer or under arrangements approved by the Chief Finance Officer.

Chapter 15 – Financial Management Procedure Rules

- 26.2 Time sheets and other documents to authorise the payment of wages and salaries must be certified by the appropriate Budget Holder (or nominee) and forwarded to the Payroll Manager within such period before the respective pay days, as may be required. The Chief Finance Officer shall make such checks on pay documents as are considered necessary.
- 26.3 All standing information relating to payroll data, such as rates of pay, statutory and non-statutory deductions, allowances, starters and leavers from any of the Combined Authority's payrolls, shall be notified through approved processes by the nominee to the Payroll Manager.
- 26.4 The detailed procedures to be followed at Combined Authority establishments for the control of overtime working and payment of wages and salaries are set out in formal procedures.
- 26.5 All payroll documentation must be filed for the period in accordance with required deadlines and no documentation relating to Officers records or to wages and salaries' payrolls should be destroyed without prior consultation with the Chief Finance Officer.

27. Taxation

- 27.1 The Chief Finance Officer is responsible for:
- (a) ensuring that taxation advice is available to Officers to ensure compliance with relevant legislation;
 - (b) maintaining the Council's tax records, making all tax payments, receiving tax credits and submitting tax returns by their due date as appropriate;
 - (c) completing all HM Revenue and Customs returns regarding Pay As You Earn;
 - (d) completing and submitting VAT returns to HMRC as necessary.
- 27.2 Officers are responsible for:
- (a) ensuring the correct VAT liability is attached to all income due and that all claims for VAT recoverable on purchases complies with HM Revenue and Customs regulations and all tax is properly identified and recorded;

Chapter 15 – Financial Management Procedure Rules

- (b) ensuring that the Authority is not put at risk in any funding arrangements by identifying the correct VAT treatment in accordance with the VAT Act 1994;
- (c) following any guidance on taxation that may be issued by the Chief Finance Officer.

28. Expenses

- 28.1 All claims for payments of Officers' car allowances, subsistence allowances, travelling and incidental expenses must be certified by the appropriate Budget Holder and be within delegation levels. Certification means that the certifying Officer is satisfied that the journeys were authorised, the mileage correct, the expenses properly and necessarily incurred and that the mileage and other allowances are properly payable in accordance with the specific conditions of employment of the Combined Authority.

29. Travel and Subsistence

- 29.1 Claims, by Members of the Combined Authority or Officers, for reimbursement of expenses regarding hotel accommodation, refreshments, hospitality, gifts, car mileage are required to be countersigned by another Officer.
- 29.2 All claims should be submitted monthly.

External Arrangements

30. Partnerships

- 30.1 The Combined Authority is responsible for approving partnership agreements where funding is to be provided by a third party.
- 30.2 The budget controller or holder must present to the Combined Authority sufficient information before a decision is reached about entering a partnership agreement. This should include:
- (a) the aims and objectives of the partnership;
 - (b) a scheme appraisal for financial viability of the project;
 - (c) risk appraisal;
 - (d) resources required, both financial and staffing;
 - (e) audit and control requirements.

Chapter 15 – Financial Management Procedure Rules

31. External Funding

- 31.1 Before any external funding bid is made the responsible budget holder shall consult with the Chief Finance Officer to ensure all aspects of funding have been properly considered before submission for approval.
- 31.2 The budget holder shall supply copies of all relevant paperwork to the Chief Finance Officer, including the bid submission, the offer letter and acceptance and any instructions for the completion of the grant.
- 31.3 The Chief Finance Officer is responsible for ensuring that all external funding notified by external bodies is received and properly recorded and monitored in the Combined Authority's Accounts.
- 31.4 It is the responsibility of the budget holder to ensure that the project progresses in accordance with the agreed project and that all expenditure is properly incurred and recorded. They must also ensure that all claims are prepared by the due date, making allowances for audit requirements where applicable.

Chapter 16 - Contract Procedure Rules

Part 1 - Introduction to Contract Rules

1. Application of the Rules

- 1.1 These rules apply to contracts or agreements with external organisations where the Combined Authority pays for:

- (a) goods and/or services;
- (b) works of any kind;
- (c) hire, rental or lease of equipment.

The rules also apply to any contracts made using framework agreements.

- 1.2 For high value contracts, Officers must comply with national and European legislation and guidance issued by the Cabinet Office, Crown Commercial Services which will override these rules. You must seek advice from the Finance Officer about that process.

2 Which contracts are NOT covered?

- 2.1 These rules do not apply to:

- (a) employment contracts between an individual and the Combined Authority;
- (b) buying or leasing land or buildings;
- (c) grants of money. Grants cannot be contracts as they do not deliver services to the Combined Authority. Any grants of money must be in accordance with the Constitution and prior advice should be sought from Legal Services in relation to the governance process for award of grants and the legal documentation that will be required to be put in place. These rules are not a guide to purchasing. These are the fundamental rules designed to ensure ethical processes around contracting.
- (d) certain collaborative arrangements between the Combined Authority and local authorities e.g. section 75 agreements;

Chapter 16 – Contract Procedure Rules

- (e) public body to public body co-operation - Contracts with other public bodies where the parties come together to deliver a public service, under the following conditions;
 - (i) achieve objectives which are common to both parties; and
 - (ii) the arrangement is solely for the public interest; and
 - (iii) the parties perform less than 20% of the services covered by the arrangement on the open market.
- (f) in-house awards (this is where the Combined Authority awards a contract to an entity it controls). This exemption will only apply if all of the following conditions are met;
 - (i) the Combined Authority exercises a similar control on the entity as it does with its own departments;
 - (ii) the entity carries out more than 80% of its activities for the Combined Authority;
 - (iii) there is no private sector money in the entity.

3 Officer responsibilities

3.1 All Officers must:

- (a) comply with the Combined Authority's Financial Regulations and, in particular, declare any conflicts of interest in a potential contract or with bidders;
- (b) declare any gifts or hospitality received either before, during or after the procurement;
- (c) report any gifts or hospitality which may have improper motive to the Finance Officer;
- (d) not disclose any confidential information to unauthorised persons;
- (e) ensure they have authorisation for the contract from an appropriate Officer or Member;

Chapter 16 – Contract Procedure Rules

- (f) conduct the procurement process in an open and transparent manner;
- (g) ensure you seek procurement advice from the Finance Officer as necessary;
- (h) achieve the best value for money achievable;
- (i) be fair to all bidders;
- (j) ensure that all equality issues are addressed (carrying out an equality impact assessment where required).

Chief Finance Officer

- 3.2 The Chief Finance Officer has responsibility for the development and implementation of the contract procedure rules and Accounting Instructions.

Monitoring Officer

- 3.3 The Monitoring Officer is responsible or advising on the lawfulness of any decisions taken in respect of the Combined Authority's procurement activities.
- 3.4 The Monitoring Officer will organise and manage corporate contracts (including framework agreements) for supplies or services commonly used by the Combined Authority and will hold the contracts register.
- 3.5 Legal and procurement advice will be commissioned for the Combined Authority.

4 Advice and assistance

- 4.1 Officers can contact the Finance Officer or legal services for advice and assistance.



Chapter 16 – Contract Procedure Rules

Quick Reference Guide

VALUE	PROCESS	EXEMPTION FROM RULES BY	DECISION TO AWARD	FORMALITIES	AUTHORITY TO SIGN OR SEAL CONTRACT	OTHER
Contracts under £5K	One quotation	Exemption report signed by Chief Finance Officer or Monitoring Officer	Contract award notice signed by Chief Executive, relevant Directors, or their delegates	Purchase Order	Chief Executive, or relevant Director (if written contact exists) or delegated authority	
Contracts between £5K & £50K	Three quotations For Contracts over £25,000, also place advert on Contracts Finder.	Exemption report signed by Chief Finance Officer or the Monitoring Officer	Contract award notice signed by Chief Executive, relevant Director or their delegates	Purchase Order and Correspondence	Authorised signatory, relevant Director or delegated authority	Enter contract onto contract register
Contracts between £50K and EU threshold (£173K for goods and services or	Tender with four bidders For Contracts over £25,000, also place advert on	Exemption report signed by Chief Finance or the Monitoring Officer	Contract award notice signed by Chief Executive relevant Director or their delegates	Formal contract approved by Legal Services	Authorised signatory (Chief Executive, Chief Finance Officer, Monitoring Officer or delegated authority	Seek advice on bonds or parent company guarantee Notify risks on risk register Written approval of Director and Monitoring



Chapter 16 – Contract Procedure Rules

£4.3M for works or 750,000 euros for services falling under Sch 3 of the Public Contracts Regulations 2015	Contracts Finder.				All contracts over £100k are to be sealed under the Combined Authority's seal.	Officer to terminate or assign Extension to be agreed by Director (if contract provides for extension) and subject to approval by Legal Services and Procurement Team.
Contracts over EU threshold (£173K for goods and services £4.3M for works or 750,000 euros for services falling under Sch 3 of the Public Contracts Regulations 2015)	EU process (seek procurement and legal advice including advice on social improvements for services contracts)	Only statutory exemptions from the EU process are permitted Officers cannot provide exemption from the statutory rules	Contract award notice signed by Chief Executive, relevant Director or their delegates Key decisions must be on the Forward Plan at least 28 days in advance	Formal contract approved by Legal Services	Contract sealed Authorised signatory (Chief Executive, Chief Finance Officer or Monitoring Officer) or delegated authority	Seek advice on bonds or parent company guarantee Notify risks on risk register Written approval of Chief Finance Officer and Monitoring Officer to terminate or assign Extension agreed Director (if contract provides for extension) and subject to approval by Legal Services and the Procurement Team.



Chapter 16 – Contract Procedure Rules

<p>Contracts subject to EU process and over £500K</p> <p>(Applies to goods, services and works contracts over £500K)</p>	<p>Apply the relevant process above</p>	<p>For goods and services: Only statutory exemptions from the EU process are permitted. Officers cannot provide an exemption</p> <p>For works contracts: The Chief Finance Officer or Monitoring Officer can approve exemptions up to the EU threshold</p>	<p>Combined Authority Board</p> <p>Decision on Forward Plan</p> <p>at least 28 days in advance</p>	<p>Formal contract approved by Monitoring Officer</p>	<p>Contract sealed</p> <p>Authorised signatory (Chief Executive, Chief Finance Officer or Monitoring Officer) or delegated authority</p>	<p>Seek advice on bonds or parent company guarantee</p> <p>Notify risks on risk register</p> <p>Approval of Combined Authority or the Mayor for mayoral functions to terminate or assign</p> <p>Extension agreed by Director (if contract provides for extension) and subject to approval by Legal Services</p>
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(i) NOTE FIGURES ABOVE EU THRESHOLDS ARE SUBJECT TO CHANGE AND YOU SHOULD CHECK WITH LEGAL SERVICES AND THE FINANCE OFFICER

Chapter 16 – Contract Procedure Rules

Part 2 – Beginning the Process

Before beginning any purchase you have to go through each of the steps in this section. It will help you determine how to apply the remainder of these rules.

1. Before contracting

1.1. Before any purchase you must take the following essential steps to ensure that you are getting best value for the Combined Authority:

- (a) calculate the total contract value;
- (b) consider whether any corporate contracts ought to be used;
- (c) research the market;
- (d) seek procurement advice;
- (e) consider what other advice/assistance you may need:
 - (i) Does the contract involve land or buildings e.g. is a lease or licence required? If so, contact the Finance Officer and Monitoring Officer;
 - (ii) Are any employees affected by the contract? If so, contact Human Resources and Legal Services.
 - (iii) Is equipment, plant or machinery to be transferred under the contract? If so, consider Financial Regulations and seek advice from Finance Officer;
 - (iv) Is there any issue of state aid? If so, contact Legal Services;
 - (v) Who has the correct delegated authority to authorise the contract? Contact Finance Officer or Legal Services if in doubt;
 - (vi) Are there any equality issues within the contract? Are there any requirements that need to be considered under the Public Sector Equality Duty? Is an equality impact assessment required? If assistance is required, contact Legal Services;
 - (vii) Contract value issue?

Chapter 16 – Contract Procedure Rules

- (viii) Is the contract really a SLA or a Grant Agreement? If assistance is required, contact Legal Services;
- (ix) Does the contract involve services above the EU threshold? If so, consider what social improvements might be secured and if consultation is required under the Public Services (Social Value) Act 2012. Contact Legal Services if in doubt;
- (f) prepare a Business Case for any contract using consultants or interim managers of any value or other contracts above £50K.

2. Calculate the total contract value

- 2.1. The contract value determines the process you must follow under these rules.
- 2.2. You can calculate the total estimated value of the contract according to a simple formula

Annual value x (number of years + extension period) = total value

- 2.3. The calculation may be subject to the following variances:
 - (a) where the contract is for a fixed period, the value is the total price to be paid or which might be paid during the whole of the contract period, including any possible extensions to the contract period;
 - (b) where a number of goods or services contracts are to be entered into, the estimated value of each contract shall be the total value of the payment which the Combined Authority expects to pay under each of those contracts;
 - (c) where a number of works contracts are to be entered into, the estimated value for carrying out the works shall be the total value of the payment which the Combined Authority expects to give under all the contracts for carrying out the works;
 - (d) where the contract is for services has been provided over an indefinite period the value is obtained by multiplying the monthly payment under the contract by 48;

Chapter 16 – Contract Procedure Rules

- (e) where a service contract includes one or more options the estimated value of the contract shall be determined by calculating the highest possible payment which could be given under the contract;
 - (f) where the contract is a single contract comprising services, supplies or works in combination, the value is calculated according to the price of the largest element of the contract.
- 2.4. Some contracts may not be for a cash value. Where this is the case please contact Legal Services who will assist you in calculating the contract value.
- 2.5. You should not enter into a series of separate lower value contracts with the intention of avoiding these contract rules.

3. Corporate contracts

- 3.1. The Combined Authority has entered into a number of partnership arrangements for either;
 - (a) direct delivery of internal services (e.g. IT); or
 - (b) centralised procurement of other bought in services (e.g. travel and hotel bookings, agency staff etc.).
- 3.2. These contracts create an exclusive arrangement between the Combined Authority and our partners for the services those partners provide. This means that you are obliged to use these service providers for the services they deliver. These are referred to throughout these rules as the corporate contracts.
- 3.3. For all other services which fall outside of those contracts you have to tender any purchasing on the open market. You must also invite our partner to tender for the goods, services or works if they have the ability to provide those services but, within that tendering process, they are treated the same as any other bidder.
- 3.4. Failure to use the corporate contracts may result in the Combined Authority being in breach of contract and is likely to incur financial penalties for the Combined Authority.
- 3.5. Please contact the Procurement Team, or Legal Services for advice on our corporate contracts.

Chapter 16 – Contract Procedure Rules

4. Contracts reserved for mutual organisation

4.1. You can limit competition for services such as administrative services in relation to education, healthcare and housing, health and social work services, library and other cultural services to mutual type organisations. For such contracts the maximum duration is three years. A mutual type organisation must meet all of the following requirements:

- (a) the organisation's objective must be the pursuit of a public service mission linked to the services set out in the Public Contracts Regulations 2015;
- (b) the profits of the organisation must be re-invested to achieve the mission;
- (c) the organisation must be employee owned or require active employee organisation;
- (d) the organisation must not have been awarded a contract under this process within the last three years.

4.2. Contact the Procurement Team, Finance Officer and Legal Services for procurement advice and legal services if you wish to undertake such a process.

5. Research the market

5.1. Researching the market is an important tool in identifying potential cost savings to the Combined Authority. The Procurement Team can assist you to identify where you can add value to your tendering process by undertaking proper market research.

5.2. You are permitted to consult potential suppliers prior to starting your purchase in general terms about the nature, level and standard of the supply, contract packaging and other relevant matters provided you do not:

- (a) prejudice any potential bidder; or
- (b) favour any potential bidder so as to distort competition.

Chapter 16 – Contract Procedure Rules

- 5.3. Where the Combined Authority has invited a potential bidder to take part in preliminary discussions then the outcome of any such discussions must be shared with all bidders participating in the procurement process.
- 5.4. You may also seek or accept advice from individual experts/bidders and use the advice in your planning for the procurement process. Ensure that you act fairly with all bidders and do not favour one bidder over the other, also keep a record of all measures taken.

6. Framework agreements or local market tendering

- 6.1. The Combined Authority's Procurement Strategy (once agreed) will determine whether you should seek to achieve cost efficiencies through use of framework agreements or whether you should tender in smaller lots as a way to encourage bids from small to medium enterprises (SME's), in particular to target and stimulate local business.
- 6.2. There are numerous framework agreements for pre-tendered goods and services. There is generally no requirement to use a framework agreement but best value is often achieved by procuring through a framework agreement.
- 6.3. Use of a framework agreement may require you to engage in a mini-competition. This will be determined by the terms and conditions relating to the framework.
- 6.4. In some cases it may be preferable to tender the contract in smaller lots to allow local businesses the opportunity to tender for the work. Whilst smaller contracts may encourage local businesses to tender, you cannot limit the tendering process to local businesses alone as this would be to breach the requirement to be fair in your tendering process.

7. Other considerations

- 7.1. Please do consider each of the following before beginning any tendering exercise.

The need for the purchase

- 7.2. Is the cost of purchasing outweighed by the benefits received?

Chapter 16 – Contract Procedure Rules

- 7.3. Have you considered other alternatives to your purchase or whether you might co-purchase with other parts of the Combined Authority and so achieve further economies of scale?
- 7.4. Are there skills within the Combined Authority that can be used without the need to source these externally?

Risks arising

- 7.5. Consider any risks associated with the purchase and how they are to be managed. Is this something that needs to be addressed on the Combined Authority's risk register?
- 7.6. Have you factored in critical support and maintenance arrangements (i.e. whole life costing) if appropriate to avoid later negotiations?
- 7.7. Have you identified whether there will be any potential conflicts of interest arising in the conduct of the procurement process, which can be seen as unfair and distorting competition? You need to:
 - (a) identify whether any staff member or other person involved in the procurement process on behalf of the Combined Authority has any direct/indirect/financial/personal interest which could be seen as comprising the impartiality and independence of the procurement process;
 - (b) ensure that the person has no further involvement in the procurement process if there is a potential conflict of interest; and
 - (c) complete the conflict of interest form provided by the Monitoring Officer and ensure it is kept up to date.

Process

- 7.8. Make sure you have selected the most suitable procurement method for the purchase e.g.
 - (a) through the use of a corporate contract;
 - (b) sourcing through a framework; or

Chapter 16 – Contract Procedure Rules

- (c) partnering and collaborative arrangements with other local authorities or public bodies.
- 7.9. Note you cannot use a Pre-Qualification Questionnaire stage in the selection of bidders, refer to Section 2 of the rules for guidance. It is important to note that you can only ask suitability assessment questions and must give full regard to the guidance from the Cabinet Office in relation to such suitability questions.

Governance

- 7.10. Do you have the available budget?
- 7.11. Do you have the appropriate approval for the expenditure in line with the Constitution?
- 7.12. If the purchase is over the key decision threshold, it should be included on the Forward Plan in line with the Combined Authority's Constitution and may require a decision by the Combined Authority Board.

8. Key practical points

- 8.1. Factor into your timetable sufficient time to prepare the tender documents especially the evaluation criteria in advance of beginning the tendering process.
- 8.2. Consider the essential elements of your contract and ensure that these are included in your conditions of contract.
- 8.3. Ensure that your contract budget is for the whole life costs of the contract.

Part 3 – Process according to Value

1. Contracts below £5,000

- 1.1. This section sets out the requirements that Officers must follow when purchasing works, goods or services where the total value of the contract is below £5,000.

Getting a quote

Chapter 16 – Contract Procedure Rules

- 1.2. For contracts for works, goods, or services with an estimated value not exceeding £5,000, you must either:
- (a) obtain a quote under one of the Combined Authority's corporate contracts, or
 - (b) place an order with a contractor under a framework agreement, or
 - (c) obtain a quote from other relevant suppliers.
- 1.3. Officers should note that they are required to obtain a quote from a corporate contract where one exists for the supply of those services.

Formalities

- 1.4. There must be a written record of the quotation, which may be in the form of a letter or email to or from the contractor. You must have a purchase order in line with Financial Regulations.
- 1.5. You should consider the following information as essential to include in any quote:
- (a) the specification of the goods, services or works to be supplied;
 - (b) payment provisions in line with Financial Regulations;
 - (c) the Combined Authority's termination rights;
 - (d) the key time or times when the contract is to be performed;
- 1.6. The decision to award the contract and any written terms must be agreed in writing by a Chief Officer (Monitoring Officer, Chief Finance Officer or the Chief Executive) unless they have delegated that authority to you or another Senior Officer within your team.

2. Contracts between £5,000 and £50,000

- 2.1. This section sets out the requirements that Officers must follow when purchasing works, goods or services where the total value of the contract is between £5,000 and £50,000.

Chapter 16 – Contract Procedure Rules

Obtaining quotations

- 2.2. In the case of contracts for works, goods or services with an estimated value between £5,000 but not exceeding £50,000 you **must** first consider:
- (a) Whether you must procure those services through an existing corporate contract;
 - (b) Whether a corporate contract can supply those services, or
 - (c) Whether you have to source those services on the open market.
- 2.3. If a corporate contractor does supply those services or can procure those services on our behalf, you must instruct them directly. If you do not wish to make use of a corporate contract you will need to complete an exemption report (see section 4) prior to tendering to obtain the authority of the Chief Finance Officer or Monitoring officer not to do so.
- 2.4. If you are sourcing those services on the open market, you must obtain at least three written quotes and select the provider that offers the best value for money. If three quotes cannot be obtained due to lack of suitable contractors, the Officer **must** complete an exemption report prior to awarding any contract. This is to obtain authority to be exempted from this Rule.

Advertising the Contract

- 2.5. Although there is no specific requirement to advertise a contract between these values, Officers and our corporate partners are positively encouraged to advertise contracts where:
- (a) the contract value is above £25,000;
 - (b) competition in the market is strong, or
 - (c) the number of potential suppliers is high.
- 2.6. Advertisements can be placed on the Combined Authority's website, in the trade press and on websites specifically set up for contract advertisements.
- 2.7. For contracts estimated to be over £25,000 and which have been advertised, you must ensure that within 24 hours the advertisement relating to the contract opportunity is also advertised on Contracts Finder. This requirement will not apply where a framework has been set up of pre-selected suppliers and you

Chapter 16 – Contract Procedure Rules

intend to choose suppliers from the framework. The following details must be included in the advert on Contracts Finder:

- (a) date and time by which an interested supplier must respond if it wishes to be considered for the contract opportunity;
 - (b) how and to whom the supplier must respond;
 - (c) any other requirements for participating in the procurement;
 - (d) internet address where the documents can be accessed from.
- 2.8. You must ensure that unrestricted, free and full direct internet access is given to the documents relating to the procurement. You must also have regard to any guidance issued by the Cabinet Office in relation to the form and manner in which the information is to be published on Contracts Finder.
- 2.9. The Procurement Team can provide assistance with advertising.

Framework agreements

- 2.10. Where a suitable framework agreement exists you may use the framework if the Combined Authority is mentioned as a potential purchaser under the framework agreement. You must follow the procedure set out in the framework agreement and do not have to obtain three quotations. The Procurement Team can assist in selecting an appropriate framework agreement and advise you on the process for obtaining quotes.

Known suppliers

- 2.11. In some cases you may already be aware of suppliers possessing a particular type of goods or service or works expertise that you are seeking. You may seek three quotations from any suppliers known to you but you must ensure that:
- (a) you do not use these suppliers in preference to any corporate contracts;
 - (b) you do not discriminate in your selection of any particular supplier.

Chapter 16 – Contract Procedure Rules

Invitations to Quote

- 2.12. Although quotations do not require a formal process you must ensure that your request for quotes is made in writing and must set out a simple specification for your purchase. You should also state the basis upon which you will select the successful quote.
- 2.13. If you select any supplier who is not the cheapest quote, you must record your reasons for selection in writing.

Higher value quotations

- 2.14. Where the value of the contract is between £45,000 and £50,000 Officers are encouraged to pursue a more formal quotation process. Officers not following a formal quotation process must record their reasons in writing. Officers should consider drafting an Invitation to Quote comprising of the following:
- (a) Bidders information about the process being used;
 - (b) Specification of the goods, services or works being purchased;
 - (c) Award criteria and procedure;
 - (d) Tendering and canvassing certificate;
 - (e) Contract terms and conditions.
- 2.15. The Invitation to Quotation must state that:
- (a) the Combined Authority is not bound to accept a quotation and;
 - (b) late submissions or submissions which do not comply with the Combined Authority's award procedure will be rejected.
- 2.16. The Invitation to Quotation must include the contract terms and conditions that will apply to the contract setting out:
- (a) details of the goods, services or works to be supplied;
 - (b) payment provisions;

Chapter 16 – Contract Procedure Rules

- (c) the Combined Authority's rights to terminate the contract;
 - (d) the key time or times when the contract is to be performed.
- 2.17. The Officer must consult Legal Services before an Invitation to Quotation is issued where the purchase involves one or more of the following:
 - (a) the transfer of non-land assets;
 - (b) the transfer of staff;
 - (c) the transfer or lease of land;
 - (d) potential state aid issues.
- 2.18. Your Director can award a contract up to £50,000 in value upon receipt of a contract award report. The contract award report must be completed and submitted to the Chief Finance Officer (or delegated Officer) for approval. The signed award report must be for future reference.
- 2.19. You must publish a contract award notice on Contracts Finder within a reasonable time once you have awarded a contract, which must contain the following details:
 - (a) Name of the supplier;
 - (b) Date of contract;
 - (c) Total contract value;
 - (d) Whether the supplier is a SME (small, medium size enterprise);
 - (e) Whether the supplier is a non-governmental organisation that is value driven and surplus;
 - (f) Monies are re-invested to further social, environmental or cultural objectives.
- 2.20. Information does not have to be published where the release would be contrary to the public interest, impede law enforcement, prejudice the

Chapter 16 – Contract Procedure Rules

legitimate commercial interests of a particular economic operator, or might prejudice fair competition between suppliers.

- 2.21. You must also have regard to any guidance issued by the Cabinet Office relating to the form in which such information is to be published.
- 2.22. The contract can be signed by the relevant Director.

3. Contracts between £50,000 and EU values

- 3.1. Contracts in this range of values are subject to the Combined Authority's tendering procedures as set out in this section.

Prior considerations

- 3.2. In the case of contracts for works, goods or services with an estimated value between £50,000 to the EU threshold you must first consider:
 - (a) whether you must procure those services through a corporate contract; or
 - (b) even though procurement through the corporate contract is not necessary, whether a corporate contract can supply those services; or
 - (c) whether you have to source those services on the open market; or
 - (d) whether you want to call off those services from a framework agreement.
- 3.3. If a corporate contractor can supply or procure those services, you must instruct them directly. Where they are procuring works, goods or services on your behalf they must follow these tendering procedures. If you do not wish to procure through the corporate contract you will be required to complete an exemption report (see section 4) before placing any orders for goods, services or works.
- 3.4. Where there is a lack of suitable contractors on the market to merit a tendering process, you **must** complete an exemption report. This is to obtain authority to be exempted from this Rule. For further information please see Part 5 of these rules.

Using a framework agreement

Chapter 16 – Contract Procedure Rules

- 3.5. A framework agreement comprises pre-assessed suppliers. Use of a framework therefore simplifies the tendering process and offers considerable cost reduction. Before opting to use a framework agreement you should also consider whether there is benefit in re-packaging the tender to enable local businesses to compete for the contract.
- 3.6. A framework agreement will be suitable where you are contracting for services, goods or works
- (a) commonly available;
 - (b) frequently used.
- 3.7. A framework agreement may not be suitable for your supply where it involves:
- (a) particularly complex or risky procurements;
 - (b) one-off procurements where the product or service requires a specialism;
 - (c) procurements which are looking for particularly novel solutions;
 - (d) where the contract length would be longer than four years.
- 3.8. Before using any framework agreement please ensure that the Combined Authority was identified as a potential purchaser in the OJEU notice. Advice on this can be sought from the Procurement Team or Legal Services.

Awarding a call-off

- 3.9. Once you decide on a framework agreement you must call off your individual contract under the framework either by;
- (a) placing a direct order/direct award; or
 - (b) holding a mini competition.

Chapter 16 – Contract Procedure Rules

- 3.10. The method of call-off will depend on the terms and conditions of the framework. Some larger frameworks are divided into a number of lots, which may have been set up to enable direct ordering whilst others are designed to provide more bespoke solutions with the terms, conditions and solutions being refined through mini competition.
- 3.11. You cannot make any substantive changes to the specification or the terms and conditions of the framework so you must follow its terms in order to procure under the framework.

Tendering process

- 3.12. Officers who have assessed that they do not want to award through a framework agreement are required to carry out a formal tendering process. Note you cannot use a Pre-qualification Questionnaire for contracts within the values mentioned in this section. See Part 2, Other Considerations, para 7.8 Process.

Advertising

- 3.13. You are required to advertise any contract you wish to tender whose total value is over £25,000.
- 3.14. You must ensure an appropriate level of advertising having regard to:
- (a) The subject matter of the contract;
 - (b) The value of the contract;
 - (c) The size and structure of the market and common commercial practices in that market;
 - (d) The location where the goods or services will be delivered.
- 3.15. The greater the interest of the contract to potential bidders, the wider should be the coverage of the advertisement. Depending on the above criteria, advertisements could be placed on the Combined Authority's website, in the trade or local press, on websites specifically set up for contract advertisements or, where the contract borders on the EU threshold, in the Official Journal of the European Union (OJEU).

Chapter 16 – Contract Procedure Rules

- 3.16. For contracts estimated to be over £25,000 and which have been advertised, you must ensure that within 24 hours the advertisement relating to the contract opportunity is also advertised on Contracts Finder. This requirement will not apply where a framework has been set up of pre-selected suppliers and you intend to choose suppliers from the framework. The following details must be included in the advert on Contracts Finder:
- (a) Date and time by which an interested supplier must respond if it wishes to be considered for the contract opportunity;
 - (b) How and to whom the supplier must respond;
 - (c) Any other requirements for participating in the procurement;
 - (d) Internet address where the documents can be accessed from.
- 3.17. You must ensure that unrestricted, free and full direct internet access is given to the documents relating to the procurement. You must also have regard to any guidance issued by the Cabinet Office in relation to the form and manner in which the information is to be published on Contracts Finder.

Preparing the tender documents

- 3.18. To complete the tender process you must prepare the following documents:
- (a) An Invitation to Tender including the evaluation criteria;
 - (b) Specification of goods, services or works to be supplied;
 - (c) A tendering and canvassing certificate;
 - (d) Parent company guarantee or performance bond (where appropriate);
 - (e) Standard conditions of contract. You must include provisions stipulating that the Combined Authority will pay the supplier no later than 30 days from date of the invoice. You may also include further specific conditions relating to the performance of the contract i.e. economic, innovation-related, environmental, social or employment related conditions. These conditions must be linked to the subject matter of the contract and set out within the tender documents. Contact Legal Services for advice and preparation of these clauses.

Chapter 16 – Contract Procedure Rules

Preparing the evaluation criteria

- 3.19. Before starting the tender process, you must define the evaluation criteria. This details how the bids will be evaluated. It is essential that the methodology for the award is set out in the Invitation to Tender.
- 3.20. You must apply the relevant British and any equivalent European or international standards to define the required quality of the goods or services being purchased.
- 3.21. The evaluation criteria must be relevant to the services, goods or works being purchased and must be designed to secure value for money for the Combined Authority.
- 3.22. The evaluation criteria for award of the contract must be based on:
 - (a) the most economically advantageous (MEAT) bid (in other words, where quality, performance or improvements are as important as price); or
 - (b) the lowest price (where price is the only factor).
- 3.23. You can also use a cost-effective approach for the evaluation criteria i.e. considering environmental and social aspects, qualifications and experience of staff, after sales service, delivery conditions, and quality impacting on level of contract performance. These must be linked to the subject matter of the contract.
- 3.24. If the most economically advantageous criteria are to be used, they can be further defined by relevant sub-criteria, examples of which are set out as follows:
 - (a) price;
 - (b) quality and performance;
 - (c) running costs;
 - (d) technical merit;
 - (e) economic advantage based on past experience;
 - (f) delivery date;
 - (g) environmental considerations;
 - (h) aesthetic and functional characteristics;
 - (i) safety;
 - (j) after-sales services;
 - (k) technical assistance; and

Chapter 16 – Contract Procedure Rules

- (l) other relevant matters.
- 3.25. Where sub-criteria are used, they must also be set out in the Invitation to Tender.
- 3.26. The evaluation criteria must not include non-commercial considerations. These are criteria which are not directly relevant to the operation of the contract e.g. the terms and conditions of employment of the bidders' workers or the country of origin of the bidder.
- 3.27. The award criteria cannot include matters which discriminate against suppliers from the European Union or signatories to the Government Procurement Agreement.
- 3.28. As the evaluation stage is the most likely point at which a challenge may be made to the procurement process you are advised to seek assistance from the Procurement Team regarding evaluation modelling.

Defining the evaluation procedure

- 3.29. Bids can be evaluated by using the bidders' written submissions only or you may want to arrange face to face interviews with the bidders and/or ask for bidder presentations to supplement the written submissions.
- 3.30. You must choose which process you will use to evaluate the bids and set this out in the Invitation to Tender.

Preparing the invitation to tender

- 3.31. The Invitation to Tender sets out the basic rules for the tendering process and you must use the standard template Invitation.
- 3.32. The invitation to tender must state that:
 - (a) the Combined Authority is not bound to accept the tender;
 - (b) late submissions and submissions which do not comply with the Combined Authority's procedure will be rejected;
 - (c) the date and time for submission of tender and that late tenders may not be accepted;

Chapter 16 – Contract Procedure Rules

- (d) Where bidders are asked to upload files, you must advise them that single file sizes must not exceed 5mb.
- 3.33. The invitation to tender should be accompanied by standard conditions of contract. You need to consider whether there are further conditions relevant to the contract e.g. the time the service is performed, the date on which goods are delivered etc. In some cases standard contracts (e.g. JCT contracts) will be available.
- 3.34. Officers must consult Legal Services before a tender is issued for any contract which involves one of the following:
 - (a) the transfer of non-land assets;
 - (b) the transfer of staff;
 - (c) the transfer or lease of land;
 - (d) any form of payment assistance to the bidder (state aid).

Clarification procedures

- 3.35. Never email bidders via your email account during the tender exercise as there is no clear audit trail to support your process. Any queries raised by a bidder and clarifications provided should be forwarded to all bidders with anonymity of the bidder raising the query.
- 3.36. If an error is identified in the invitation to tender before the closing date for submissions and is significant enough to warrant amendment, all bidders should be informed of the error and invited to adjust their bids.

Submission, receipt and opening of tenders

- 3.37. Tenders will only be available to evaluate following the closing date for submissions.

Post tender negotiation

- 3.38. If an error is identified in the invitation to tender after the closing date for submissions and is significant enough to warrant amendment, all bidders should be given details of the error and given the opportunity to withdraw their offer or to submit a revised bid within a defined period.
- 3.39. Where there is a minor error or discrepancy in the successful tender which would affect the tender figure, the bidder should be given details of the error or

Chapter 16 – Contract Procedure Rules

discrepancy and given the opportunity to confirm, correct or withdraw its bid. If the bidder withdraws its offer, the next most competitive bid should be assessed.

- 3.40. Following receipt of the tenders, you may clarify or negotiate with a preferred bidder to obtain an improvement in terms of price, delivery or service. Any such clarification or negotiation must:
- (a) not discriminate against other bidders, and
 - (b) not alter the original specification except where Legal Services or the Procurement Team has advised that special circumstances exist that can be substantiated, and
 - (c) have the prior authorisation of Legal Services or the Procurement Team, and
 - (d) be confirmed in writing by the bidder.

Evaluation, selection and de-briefing

- 3.41. Bids must be evaluated and the successful bidder selected in line with the advertised award criteria and the award procedure.
- 3.42. There is no requirement for a standstill period in non-EU tendering but it is considered good practice to debrief unsuccessful bidders before awarding the contract to identify and avoid any potential challenges from an unsuccessful bidder.
- 3.43. You may want to include the following matters in any debrief:
- (a) identifying the bidder to whom the contract will be awarded;
 - (b) the reasons for the decision;
 - (c) the award criteria;
 - (d) a full breakdown of the bidder's scores against each of the criteria and sub-criteria together with an explanation why the successful bidder achieved a higher score;
 - (e) the score of the successful bidder;

Chapter 16 – Contract Procedure Rules

- (f) the reasons (if any) why the bidder did not meet the technical specifications.

3.44. Apart from the debriefing permitted by this Rule, the confidentiality of tenders and the identity of bidders must be preserved at all times and information about one bidder's response must not be given to another bidder.

Award report

3.45. Provided there is no challenge to the decision to award the contract you must prepare a contract award report to authorise the award of the contract which must be sent to Legal Services, and the Finance Officer for approval before your Director signs off the report. The report must be signed by your Director or a Senior Officer with authority delegated from your Director.

3.46. Once your contract award notice has been approved, you will need to notify all bidders of the result. In addition, you must also publish a contract award notice on Contracts Finder within a reasonable time once you have awarded a contract, which must contain the following details:

- (a) Name of the supplier;
- (b) Date of contract;
- (c) Total contract value;
- (d) Whether the supplier is a SME (small, medium size enterprise);
- (e) Whether the supplier is a non-governmental organisation that is value driven and surplus
- (f) Monies are re-invested to further social, environmental or cultural objectives.

3.47. Information does not have to be published where the release would be contrary to the public interest, impede law enforcement, prejudice the legitimate commercial interests of a particular economic operator, might prejudice fair competition between suppliers.

3.48. You must also have regard to any guidance issued by the Cabinet Office relating to the form in which such information is to be published.

Contract formalities

3.49. There must be a signed written contract in place between the Combined Authority and the contractor before the supply, service or work is started. You

Chapter 16 – Contract Procedure Rules

must send the following documents to Legal Services to prepare and finalise the formal contract documents:

- (a) Signed Director's Contract Award Report;
- (b) Invitation to Tender (including the terms and conditions);
- (c) Successful Contractor/Service Provider/Consultant tender submission;
- (d) Any other documents you wish to include in the contract

- 3.50. Signed, Sealed contracts will be listed in the Combined Authority's contract register and placed in the Combined Authority's Deeds Room and you will be forwarded a contract number for future reference. Contracts between £50,000 and £100,000 need to be signed by an Authorised Signatory or sealed in the presence of an Authorised Signatory. All contracts over £100,000 must be sealed in the presence of an Authorised Signatory.
- 3.51. If you want the contract to begin before the contract is signed or sealed, you should consult Legal Services. In exceptional circumstances, the Monitoring Officer may permit the contract to begin before the contract is signed.

Contract register

- 3.52. You must give details of the contract to the Monitoring Officer to be entered into the Contracts Register.

4. Contracts above EU values

- 4.1. If you want to award a contract in this range of values you must consult the Procurement Team and Legal Services. This process is governed by statutory rules and European Directives that are too extensive to set out in these rules. The following is intended as summary guidance only.
- 4.2. It is important to note that the statutory rules supersede these rules and contain their own exemptions.
- 4.3. No exemption can be granted by Officers or Members for exemption from the EU process unless the exemption is permitted by the statutory rules.

Identifying potential candidates

- 4.4. Contracts which are covered by the regulations must be the subject of a 'call for competition' by publishing a contract notice in the Official Journal of the European Union ("OJEU").

Chapter 16 – Contract Procedure Rules

- 4.5. In most cases the time allowed for responses or tenders must be no less than a set period, although some prescribed periods can be reduced where:
- (a) A prior information notice (PIN) was published sufficiently far in advance of the procurement or when accelerated procedures are used;
 - (b) If the OJEU notice was submitted electronically in accordance with the requirements set out on the SIMAP website (see above);
 - (c) Where authorities offer full and unrestricted access to tender documents (in accordance with specific requirements set out in the EU procurement regulations).

Process

- 4.6. The Public Contracts Regulations 2015 (which can be viewed on the Cabinet Office website) set out schedules which include the types of works, services that are covered by the regulations. These regulations will apply in the following circumstances:
- (a) For a contract relating to works with a total value of £4,322, 012 and over;
 - (b) For a contract relating to the supply of goods with a total value of £172, 514 and over;
 - (c) For a contract relating to services with a total value of £172,514 and over. However for services falling within Schedule 3 of the Regulations, the full Regulations will apply where the total contract value is over 750,000 euros (£625,050).
- 4.7. Important to note that the thresholds stated are subject to changes on a two yearly basis, you must check with Legal Services and the Procurement Team.
- 4.8. Where the contract value of your contract is below the thresholds, this does not mean that you will be totally exempt from the regulations, contact the Legal Services and Procurement Team for assistance.
- 4.9. For contracts which are above the thresholds set out in this section, a standardised Pre-Qualification Questionnaire may be used when shortlisting potential bidders and/or assessing their financial and economic standing,

Chapter 16 – Contract Procedure Rules

technical capacity and ability, previous experience. Contact the Procurement Team or Legal Services for further advice on PQQ's.

Choice of procurement procedure

4.10. Four award procedures are provided for under the EU procurement regulations:

(a) Open Procedure

All those interested may respond to the advertisement in the OJEU by tendering for the contract.

(b) Restricted Procedure

A selection is made by use of a pre-qualification questionnaire (PQQ) of those who respond to the advertisement and only those selected are invited to submit a tender for the contract. This allows purchasers to avoid having to deal with an overwhelmingly large number of tenders.

(c) Competitive Dialogue Procedure

Following an OJEU notice and a selection process, the Combined Authority enters into dialogue meetings with several bidders, to develop one or more suitable solutions for its requirements. During this process bidders are deselected at various stages before final tenders are called for. (A multi-stage and complex process which should not be used where Open or Restricted procedures could have been used).

(d) Negotiated Procedure

The Combined Authority may select one or more persons with whom to negotiate the terms of the contract. An advertisement in the OJEU is usually required but, in certain circumstances, described in the Regulations, the contract does not have to be advertised in the OJEU. An example is when, for technical or artistic reasons or because of the protection of exclusive rights, only a particular person can carry out the contract. This procedure is used only exceptionally.

(e) Innovation Procedure

This procedure can be used where the Combined Authority has identified a need for an innovative product, service or works that cannot be met by purchasing these from the market. A partnership can be set up with one or more partners with the aim of developing an innovative product, services or works. The partnership will need to be terminated as the development progresses. The selection of bidders and process for negotiation will be in accordance with the Public Contracts Regulations.

Chapter 16 – Contract Procedure Rules

- 4.11. Public authorities have a free choice between the open and restricted procedures. The competitive dialogue procedure is available where the contract cannot be awarded under open or restricted procedure. The negotiated procedure may only be used in the limited circumstances described in the EU procurement regulations.
- 4.12. Under restricted procedures, competitive dialogue and competitive negotiated procedures (those where a call for competition is required by advertising in the OJEU) there must be a sufficient number of participants in the process to ensure genuine competition, with a minimum of *five* for restricted procedures and *three* for competitive dialogue and negotiated procedures.

Specification evaluation and award criteria

- 4.13. In all other respects the process follows the steps set out in the earlier section on tendering and you are required to complete preparation of your paperwork before the tendering process begins. Whilst some of the paperwork can be standardised it is important that Legal Services and the Finance Officer will work with you to devise award criteria based upon your specification for the services that are being procured.
- 4.14. Where tender bids received appear to be abnormally low, you need to seek an explanation from the bidder or bidders. Once received you need to assess the information and you can only reject the tender where the responses provided do not satisfactorily set out the reasons for the low bid. Contact Legal Services for guidance.

Standstill and post tender formalities

- 4.15. Following the evaluation of the contract and before formally awarding the contract to the successful bidder there will be a mandatory standstill period. This period begins once you have notified the unsuccessful bidders of your decision and the reasons for the differing scores. This is known as the 'Alcatel' or "Standstill" period and is bound by strict rules. See points 4.19 and 4.17 below as to when the Alcatel letter must be sent out.
- 4.16. The standstill period allows for the unsuccessful bidders to seek any feedback on their bids and to challenge the procurement process. You should therefore have prepared in advance any information about the evaluation process, the reasons for the differing scores and why the bidder was unsuccessful before the award of the contract is notified to the bidders.

Chapter 16 – Contract Procedure Rules

Governance

- 4.17. The contract must be awarded by an authorised signatory on behalf of the Combined Authority. Your Director can award a contract up to £500,000 in value upon receipt of a contract award report. You must prepare an award report to authorise the award of the contract which must be sent to Legal Services and the Finance Officer for approval before your Director signs off the report. The report must be signed by the Director or a Senior Officer with authority delegated from the Director. The Alcatel letter can be sent out at any time after the Director signs off the contract award report.
- 4.18. For contracts above £500,000 you will need to have a Combined Authority decision before award of the contract. All contracts of this value should also be on the Forward Plan. Contact the Governance team for further guidance.
- 4.19. The Alcatel letter can only be sent out after the Combined Authority Board has made a decision. Once the agenda for the Board has been published the bidders are likely to become aware of the successful bidder so you should aim to make them informally aware of the tender outcome and intention to issue the Alcatel standstill letter at the same time as the agenda is published. Confirmation of the award should follow once the call-in period has expired.
- 4.20. All contracts above £100,000 must be sealed in the presence of an Authorised Signatory and, once sealed, will be retained by Legal Services within the Deeds Room.

Contract formalities

- 4.21. There must be a sealed written contract in place between the Combined Authority and the contractor before the supply, service or work is started. If this requirement may cause difficulties, you should consult Legal Services. In exceptional circumstances, Legal Services may permit the contract to begin before the contract is sealed and measures can be put in place to protect the Combined Authority's position in the interim.
- 4.22. You must send the following documents to Legal Services to prepare and finalise the formal contract documents:
 - (a) Signed Chief Finance Officer's Contract Award Report/Report and decision of the Combined Authority Board;
 - (b) Invitation to Tender (including the terms and conditions);

Chapter 16 – Contract Procedure Rules

- (c) Successful Contractor/Service Provider/Consultant tender submission;
 - (d) Any other documents you wish to include in the contract.
- 4.23. Signed, Sealed contracts will be listed in the Combined Authority's contract register and placed in the Combined Authority's Deeds Room and you will be forwarded a contract number for future reference.

Part 4 – Getting the Contract in Place

1. High Value/High Risk

- 1.1. Where contracts are high value or high risk you should consult with the Finance Officer as to whether some form of security, such as a bond or parent company guarantee is required from the contractor.

2. Bonds

- 2.1. A performance bond is a written guarantee provided to the Combined Authority by a contractor's bank or insurer. It requires the contractor to deposit a sum of money with the bank or the insurer and is therefore usually only suitable for high value or high risk contracts. If the contractor does not do what it has promised under the contract, the Combined Authority can claim from the bank or insurer the sum of money which is specified in the performance bond.
- 2.2. A performance bond is intended to protect the Combined Authority against the costs that arise from the contractor's failure to perform the contract. You must assess the need for the bond by considering the risks to the Combined Authority, including the:
- (a) complexity of the contract relating to delivery;
 - (b) capabilities of suppliers, service providers or contractors;
 - (c) financial standing and security of suppliers, service providers or contractors.
- 2.3. In limited circumstances it may be necessary to have an on demand bond (effectively a cash bond), however there is a significant cost to these and they should only be sought in limited circumstances and following legal advice.

Chapter 16 – Contract Procedure Rules

- 2.4. You should consider whether a performance bond or any other form of security is required where;
- (a) a contract for works, goods or services is estimated to exceed the EU threshold or
 - (b) where it is proposed to make stage or other payments in advance of receiving the whole of the works, services or supplies.
- 2.5. Should a performance bond or other form of security be required, you must identify this in the tender documentation. Contact the Finance Officer or Legal Services for a template version of the performance bond.
- 2.6. You should not allow the contractor to commence the contract for the works, services or supplies until the bond has been provided to the Combined Authority.

3. Parent company guarantees

- 3.1. A parent company guarantee could be requested from the contractor as an alternative form of security to a performance bond but only where the contractor has a parent company.
- 3.2. A parent company is a company which owns a number of companies (known as subsidiaries). You should seek advice from the Finance Officer or Legal Services if you intend to request a parent company guarantee in any tender.
- 3.3. There are other lesser used forms of security that can be requested against the contract, such as cash, title deeds, debentures and legal charges. Please contact the Finance Officer or Legal Services for further advice if you need to consider these.

4. Contract documents

- 4.1. There are many different forms of standard contract. These are most frequently found in the construction industry (i.e. for works contracts) but others are also available.
- 4.2. Legal Services have knowledge of most standard forms of contract and also hold a standard set of terms and conditions which can be tailored to meet any

Chapter 16 – Contract Procedure Rules

forms of works, goods or services contract. These take account of the specific needs placed upon local authority contracts e.g. freedom of information requests for contract documents and auditing obligations.

- 4.3. Requests for standard clauses and to discuss specific contractual requirements can be made by contacting Legal Services.

Part 5 – Changes to the Contract

1. Introduction

- 1.1. This section sets out what you must do if:
- (a) you are unable to comply with any of the requirements of these rules, or
 - (b) there is a change to the contract e.g. additional works have been identified after the contract has begun.
- 1.2. It is very important that you follow correct governance processes to authorise any changes to the contract or these rules. In almost all cases you will require approval from your Director, the Monitoring Officer, or Chief Finance Officer within the Combined Authority.
- 1.3. The Monitoring Officer is responsible for monitoring adherence to these rules. Failure to obtain the correct authorisation at the appropriate time to deviate from these rules may mean that you are in breach of your employment contract and oblige the Monitoring Officer to report repeated breach of the rules to the Combined Authority.

2. Exemptions

- 2.1. It is the Council's policy that these contract rules should be complied with at all times. However, the Combined Authority recognises that circumstances may exist when it is not possible or desirable to comply with these rules. On those occasions you may apply for an exemption from any or all of these rules.
- 2.2. Officers must ensure that any exemption or departure from these contract rules does not contravene the law e.g. EU tendering rules.
- 2.3. The fundamental principles of exemptions are that:
- (a) they should be used only in exceptional circumstances;

Chapter 16 – Contract Procedure Rules

- (b) they are granted entirely at the discretion of the Chief Finance Officer or Monitoring Officer;
 - (c) they should always be sought in advance of any purchasing as there is a general presumption that retrospective applications will not be approved, and
 - (d) there is no automatic right to an exemption.
- 2.4. The Chief Finance Officer is accountable for giving appropriate approval to all exemptions and a record is kept of all those granted which is open to public inspection.
- 2.5. All exemption requests must be made in writing supported by justification for your application.
- 2.6. An exemption under this section *can never* be used where the total value of the contract exceeds the EU threshold. There are specific statutory exemptions which apply to contracts tendered under the EU process and you should always seek legal advice on these.

When may an exemption be allowed?

- 2.7. An Exemption may be allowed when:
- (a) You want to obtain quotations or tenders from fewer bidders than these rules require (including a single bidder) because they are the only suppliers which can provide the services or goods or works you want to purchase;
 - (b) You are working in partnership with another public sector body and you are satisfied that their procurement rules have been complied with in the letting of the contract;
 - (c) You want to extend an existing contract which does not have provision for an extension and where a change of supplier would cause:
 - (i) disproportionate technical difficulties;
 - (ii) excessive cost; and/or
 - (iii) significant disruption to services.
- 2.8. In all cases an exemption cannot be approved where the cost of the extension or contract exceeds the EU threshold.

Chapter 16 – Contract Procedure Rules

Exemption procedure

- 2.9. To apply for an exemption, you should complete an exemption report.
- 2.10. The exemption report should set out clearly the grounds on which you are applying for the exemption and must specify which of the reasons listed above apply.
- 2.11. If there is information which you wish to keep confidential and not disclose to the public you should also complete an exempt annex. However, all local authorities are increasingly expected to disclose information to the public on the grounds of transparency and accountability. The Combined Authority will be allowed to withhold information only in exceptional circumstances where the interests of the Combined Authority or others may be severely damaged or compromised by disclosure.
- 2.12. The completed exemption report should be sent to Legal Services and the Finance Officer for approval.
- 2.13. Once the required approvals have been obtained you must send the report to the Monitoring Officer and the Chief Finance Officer for formal approval of the exemption. Electronic approval will be sufficient.
- 2.14. The Chief Finance Officer is required to keep a register of approved exemptions.
- 2.15. In urgent circumstances, contact must be made with the Monitoring Officer and the Chief Finance Officer before taking entering any contract, to obtain an “in principle” decision. This means that, unlike usual procedures, the decision to award will follow after the contract has been awarded. Verbal authority given by the Chief Finance Officer will mean that the correct authority has been given for the contract, even though the paperwork will be retrospective.

Retrospective exemptions

- 2.16. An exemption to any of the rules should never be sought retrospectively but exceptions to this principle will be allowed where:
 - (a) it has been necessary to act urgently because of an unforeseen emergency which involves immediate risk of injury or damage or to prevent serious disruption to services;

Chapter 16 – Contract Procedure Rules

- (b) it is necessary for an Officer in Children's Services or Adult Social Care to act immediately to secure care for any vulnerable person;
 - (c) it is necessary to act urgently to secure a supply of goods, where commercial offers are time limited and represent best value for the Combined Authority.
- 2.17. In both cases you should seek an 'in principle' decision from the Chief Finance Officer and the Monitoring Officer where possible, and the cost of the immediate action should not exceed the EU threshold. An exemption report should be completed as soon as reasonably possible after the contract has begun.

Purchase Orders

- 2.18. Each Officer must ensure that all expenditure is lawful and is subject to all local Procurement Regulations and approval processes.
- 2.19. Expenditure on goods, services and supplies made directly by the Combined Authority may be exempt from the requirement to place an Order. The Chief Finance Officer shall maintain a list of order exemptions and review its continued appropriateness on an annual basis.
- 2.20. Requisitions and official orders shall not be issued for goods and services unless the expenditure is within approved budgetary levels and any other necessary approvals as set out in the Scheme of Delegation have been obtained.

3. Assigning/Novating contracts

- 3.1. Assignment is the transfer of the benefit of contract to another party. The contract should detail the circumstances in which a contract can be assigned but if it does not you will need to consult Legal services on the process. Novation is the transfer of the rights, obligations and liabilities of an original party to an existing contract to a new party. You should contact Legal services on the form of the contract that should be used for the novation, which is usually in the form of a deed.
- 3.2. Where a contract is required to be assigned or novated you must first calculate the total value of the contract to determine the correct process. A

Chapter 16 – Contract Procedure Rules

contract may be assigned/novated, without the need to carry out a new procurement, where;

- (a) There is reference to such a change within the tender documents; or
- (b) The new contractor is replacing the existing contractor following a corporate restructure, takeover, merger, acquisition or insolvency, and as long as the new contractor fulfils the criteria upon which the existing contractor was selected (i.e. technical, financial capability).

3.3. Where a contract has a total value between £50,000 and £500,000 the assignment/novation will need to be approved by the following Officers:

- (a) Monitoring Officer; and
- (b) Your Director (or if authorised an Assistant Director).

3.4. Where a contract has a total value of more than £500,000 the assignment/novation will need to be approved by the Officers listed above and:

- (a) a credit check on the proposed contractor that the contract is to be assigned to have been carried out by Financial Services; and
- (b) a Combined Authority decision or Mayoral Decision for mayoral functions authorising the assignment/novation has been obtained; and
- (c) a formal deed/notice of assignment, to be prepared by Legal Services, has to be entered into by the parties;
- (d) Contracts over the EU threshold require the written approval of the Chief Finance Officer.

4. Varying contracts

4.1. Variations of contract typically comprise:

- (a) change in price, or
- (b) change in service delivery or goods or works leading to a change in price.

Chapter 16 – Contract Procedure Rules

4.2. If the variation looks as if the original value of the contract is likely to be exceeded, the procedure for obtaining approval to the variation is as follows:

4.3. Non-EU procured contracts

(a) Increase is less than £50,000

The project/contract manager or Officer must obtain approval to the increase in line with the authority listed in the quick reference guide.

(b) Increase is more than £50,000

In addition to obtaining the authority listed in the quick reference guide, the project/contract manager or Officer must inform the Finance Officer immediately. This means that as long as the contract as varied is still under £500,000, it can be authorised by the relevant Officer(s) referred to in the quick reference guide. If the variation takes the contract value over £500,000 or if the original contract was over £500,000 and the Combined Authority Board made the decision to award the contract, a further Combined Authority Board decision need not be obtained for the variation, unless Legal Services consider such a decision should be obtained.

The above is subject to:

- (i) The variation not exceeding the EU threshold value for the works, services, supplies (i.e. accumulated value including the value of the variation) and;
- (ii) The variation is lower than 10% of the initial contract value for services, supplies or 15% of the initial contract value for works.

4.4. EU procured contracts

Contact Legal Services for advice on whether the variation is likely to be treated as a new contract, requiring it to be re-tendered. If the advice from Legal Services is that the variation is unlikely to be treated as a new contract, the project project/contract manager or Officer must follow the procedure outlined in the second bullet point of paragraph 4 above.

Chapter 16 – Contract Procedure Rules

Section 5 – Ending the Contract

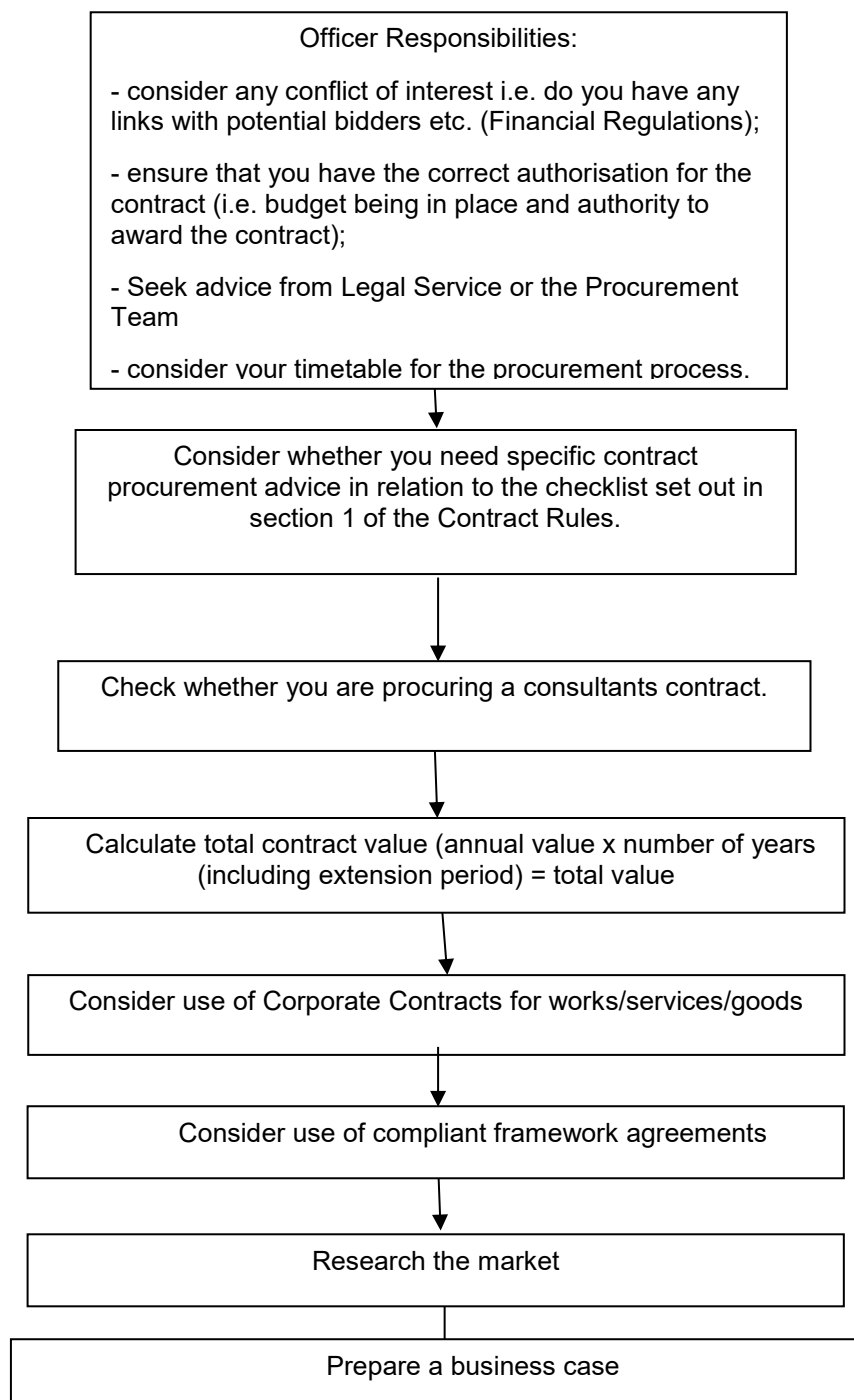
Terminating contracts

- 1.1. Where a contract is required to be terminated, other than by it expiring, seek advice from Legal Services.
- 1.2. Where a contract has a total value of between £50,000 and £500,000 the termination will need to be approved by the following Officers:
 - (a) Monitoring Officer; and
 - (b) The Chief Finance Officer.
- 1.3. Where a contract has a total value of more than £500,000 the termination will need to be approved by the Officers listed above and additionally:
 - (a) a Combined Authority Board Decision must authorise the termination and;
 - (b) a termination notice must be issued to the contractor by Legal Services

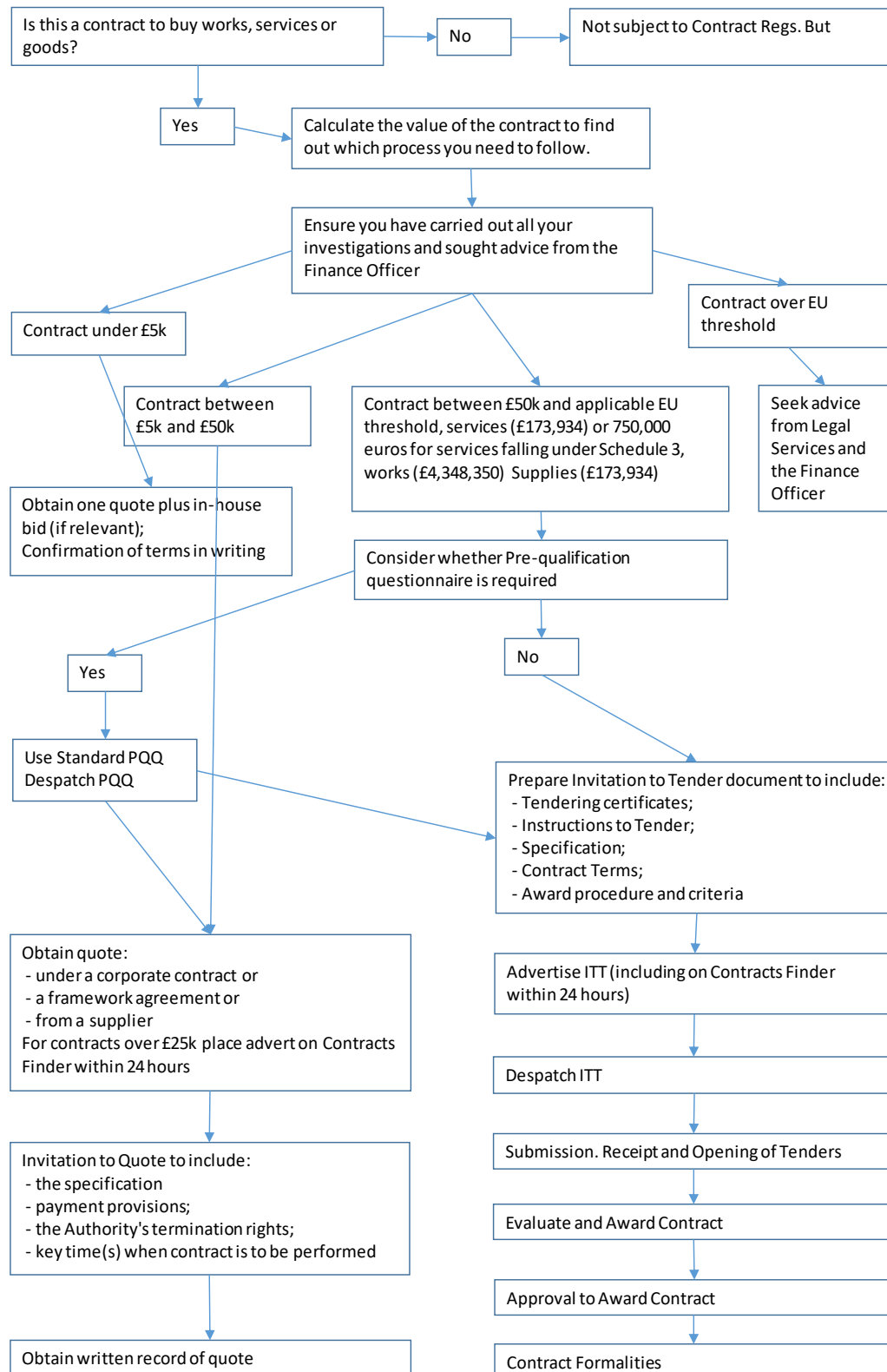
Chapter 16 – Contract Procedure Rules

Flowcharts

Beginning the process – Flowchart



Chapter 16 – Contract Procedure Rules



Chapter 17 - Officer Scheme of Delegation and Proper Officers

Part 1 – Officer Scheme of Delegations

1. Introduction

- 1.1. The Combined Authority has a Scheme of Delegation to Chief Officers and a Schedule of Proper Officers for its functions in accordance with section 101 of the Local Government Act 1972.
- 1.2. A Chief Officer in the context of this Constitution means
 - 1.2.1. the Chief Executive of Combined Authority and Business Board, and Head of Paid Service,
 - 1.2.2. the Finance Director and Chief Finance Officer, and
 - 1.2.3. the Legal Counsel and Monitoring Officer,
 - 1.2.4. the Infrastructure Director
 - 1.2.5. the Business and Skills Director
 - 1.2.6. the Strategy and Planning Director or
 - 1.2.7. any other posts defined as Chief Officer in the Employment Procedure rules.
- 1.3. Powers delegated to Chief Officers may be exercised by other Officers within the Combined Authority or constituent councils if the relevant Chief Officer has further delegated that power, provided that this is properly recorded and evidenced.
- 1.4. Any decisions or actions taken by a Chief Officer or other person on behalf of a Chief Officer, must be in accordance with:
 - (a) the provisions of the Openness of Local Government Bodies Regulations 2014;
 - (b) statute or other legal requirements, including the principles of public law, the Human Rights Act 1998, statutory guidance and codes of practice;
 - (c) the Constitution, including the Combined Authority [procedure rules](#), assurance framework, monitoring and evaluation framework, [contract standing orders](#) and [Financial Regulations](#), and [Transparency Rules, Forward Plan and Key Decisions](#);

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- (d) the revenue and capital budgets of the Combined Authority, subject to any variation which is permitted by the Financial Regulations; and
 - (e) any policy or direction of the Combined Authority or any Committee acting in exercise of powers delegated to that Committee by the Combined Authority.
- 1.5. Officers may exercise delegated powers to take any decision in relation to the functions of the Combined Authority including Mayoral functions except where:
 - (a) the matter is reserved to the Combined Authority or the Mayor by law or by the Constitution;
 - (b) the matter is a function which cannot by law be discharged by an Officer;
 - (c) the Combined Authority or a Committee, Sub-Committee or Joint Committee to which the Combined Authority is a party, or in the case of a mayoral function, the Mayor has agreed that the matter should be discharged otherwise than by an Officer;
 - (d) the Head of Paid Service has directed that the Officer concerned should not exercise a delegated function;
 - (e) any other limitation of the exercise of delegated authority is set out in this Constitution or is specifically restricted in any decision of the Combined Authority.
- 1.6. Lead Officers are not obliged to exercise delegated powers if they believe circumstances are such that the powers should more appropriately be exercised by the Authority or one of its Committees.

2. General Delegations to all Chief Officers

- 2.1 Chief Officers will be responsible for the following within their areas of responsibility:
 - 2.1.1 the day-to-day management, supervision and control of services provided on behalf of the Authority within the approved budget limits;
 - 2.1.2 day to day management of staff in accordance agreed human resource policies and procedures;

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 2.1.3 acting on behalf of and in the name of the Combined Authority, where necessary in consultation with the Mayor, relevant portfolio holder or Chief Executive and/or other appropriate Officers;
- 2.1.4 dealing with press enquiries and issuing press releases;
- 2.1.5 investigative contraventions of legislation applicable to the functions under their control, and also in respect of these functions to exercise the powers and conferred by the Regulation of Investigatory Powers Act 2000, the European Communities Act 1974 (and associated regulations) and the Police and Criminal Evidence Act 1984.

3. Contracts and Accounts

- 3.1 All contracts shall be dealt in accordance with Contract Procedure Rules and Financial Regulations as may be agreed from time to time by the Combined Authority.
- 3.2 Contracts below £5,000: The decision to award the contract and any written terms must be agreed in writing by a Chief Officer unless they have delegated that authority.
- 3.3 Contracts between £5,000 and £50,000: The Chief Officer can award a contract up to £50,000 in value.
- 3.4 Contracts between £50,000 and EU thresholds: A report to authorise the award of the contract must be sent to Legal Services, and the Finance Officer for approval by the Chief Finance Officer or Monitoring Officer.
- 3.5 Contracts within EU thresholds up to £500,000: The Chief Finance Officer or Monitoring Officer can award a contract up to £500,000 in value upon receipt of a contract award report. An award report to authorise the award of the contract must be sent to Legal Services and the Finance Officer for approval by the Chief Finance Officer.
- 3.6 Contracts above £500,000: Requires a Combined Authority Board decision or the Mayor for mayoral functions before award of the contract.
- 3.7 Contract rule exemptions: Granted entirely at the discretion of the Chief Finance Officer or Monitoring Officer.

Chapter 17 – Officer Scheme of Delegation and Proper Officers

3.8 Assigning and novating contracts: Needs approval of the relevant Chief Officer and the Monitoring Officer. If over £500,000 it will also need a Combined Authority Decision.

3.9 Terminating Contracts: Needs approval of the Chief Finance Officer and the Monitoring Officer. If over £500,000 it will also need a Combined Authority Decision.

4. Delegations to the Chief Executive

4.1 To exercise the functions of the Head of Paid Service as set out in Section 4 of the Local Government and Housing Act 1989.

4.2 To be responsible for the coordination of the Combined Authority's functions including mayoral functions.

4.3 To provide a comprehensive policy advice service and in particular to advise on the Combined Authority's plans and strategies.

4.4 To be responsible for the appointment and grading of staff up to Deputy Chief Officer level.

4.5 To be responsible for the organisation and proper management of the Combined Authority's staff including proposing changes to the management structure and the number and grades of staff required.

4.6 To authorise a Chief Officer to act in his/her absence on any matter within his/her authority.

4.7 To discharge any function of the Combined Authority which:

- (a) has not been specifically delegated to another Officer, Committee or reserved to the Mayor or the Combined Authority Board;
- (b) has been delegated to another Officer where that Officer is absent or otherwise unable to act (excluding the statutory functions of the Monitoring Officer and Chief Finance Officer).

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 4.8 To take any action which is required as a matter of urgency in consultation (where practicable) with the Mayor, the Monitoring Officer and the Chief Finance Officer, and in accordance with the Transparency Rules, Forward Plan and Key Decisions ([Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#)~~Chapter 6 – Transparency Rules, Forward Plan and Key Decisions~~).
- 4.9 To provide any response to any Government consultation, subject to consultation with the Mayor of the Combined Authority and the relevant Portfolio Holder.
- 4.10 To co-ordinate public relations for the Authority, including the approval of press releases on behalf of the Authority having consulted where appropriate the Mayor or relevant portfolio holder as necessary.
- 4.11 Nominate, appoint and remove, in consultation with the Mayor (as Chair) and the Vice-Chair of the Combined Authority Board, representatives on the board of companies, trusts and other bodies, of which the Combined Authority is a member, and to agree Constitutional arrangements for such companies, trusts and other bodies and give any necessary consent required within their Constitutions.
- 4.12 To exercise the general power of competence on behalf of the Combined Authority in the absence of any specific delegation acting in the best interests of the Combined Authority, subject to:
- (a) consultation with the Monitoring Officer and the Chief Finance Officer; and
 - (b) reporting to the next meeting of the Combined Authority Board on the exercise of that power.
- 4.13 To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

5. Delegations to the Chief Finance Officer

- 5.1 The Chief Finance Officer shall be the designated the Proper Officer under section ~~73~~⁸⁵ of the Local Government Act 19~~72~~⁷².

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 5.2 To effect the proper administration of the Authority's financial affairs, particularly in relation to financial advice, procedures, records and accounting systems, internal audit and financial control.
- 5.3 To take all actions required on borrowing, investment and financing subject to the submission to the Audit and Governance Committee and Combined Authority of an annual report of the Chief Finance Officer on treasury management activities and at six-monthly intervals in accordance with CIPFA's Code of Practice for Treasury Management & Prudential Codes.
- 5.4 To effect all insurance cover required in connection with the business of the Combined Authority and to settle all claims under such insurances arranged for the Combined Authority's benefit.
- 5.5 To accept grant offers on behalf of the Combined Authority, subject to all the terms and conditions set out by the grant awarding body.
- 5.6 To submit all claims for grant to the UK Government or the European Community (EC).
- 5.7 To set up and operate such bank accounts as are considered appropriate and make all necessary banking arrangements on behalf of the Combined Authority.
- 5.8 To consider reports of Officers on any likely overspending in relation to revenue expenditure, and to approve transfers between expenditure heads up to a maximum of £100,000.
- 5.9 To send out all accounts for income due to the Combined Authority.
- 5.10 To authorise electronic payments.
- 5.11 To collect all money due to the Authority and write-off bad debts in accordance with the Financial Procedure Rules. Legal action should be undertaken in consultation with the Monitoring Officer.
- 5.12 To supervise procedures for the invitation, receipt and acceptance of tenders.
- 5.13 To administer the scheme of Members' allowances.
- 5.14 To discharge the functions of the 'responsible financial officer' under the Accounts and Audit (England) Regulations 2011.

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 5.15 To sign certificates under the Local Government (Contracts) Act 1997.
- 5.16 To be the Officer nominated, or to nominate in writing another Officer, as the person to receive disclosures of suspicious transactions for the purposes of the Proceeds of Crime Act 2002 and any Regulations made under that Act.
- 5.17 To exercise the responsibilities assigned to the Chief Finance Officer in this Constitution, including Financial Regulations and the Contract Procedure Rules.
- 5.18 To approve all expenditure incurred by the Combined Authority up to the value of £100,000 and with the Head of Paid Service and the Chief Finance Officer shall both authorise and approve all expenditure incurred by the Combined Authority over £100,000. In both cases provided the expenditure is included within the agreed revenue or capital budget and the Combined Authority has approved commencement of the scheme.
- 5.19 To arrange internal audit in accordance with the Accounts and Audit Regulations 2015 and relevant professional guidance.
- 5.20 Internal Audit Officers on producing appropriate identification shall have authority to:
 - 5.20.1 enter at all reasonable times on any land, premises or other assets of the Combined Authority;
 - 5.20.2 obtain access to all records, documents, cash, stores, equipment and correspondence relating to any financial or other transaction of the Combined Authority;
 - 5.20.3 require and receive such explanations as are necessary concerning any matters under examination;
 - 5.20.4 require Officers or Members of the Combined Authority to produce cash, stores, or any other Combined Authority property, which is under their control.

6 Delegations to the Monitoring Officer

- 6.1 Under section 5 of the Local Government and Housing Act 1989, the Combined Authority shall appoint a Monitoring Officer.
- 6.2 To provide advice on the scope of powers and authority to take decisions.

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 6.3 If it appears to the Monitoring Officer that any proposal, decision or omission by the Combined Authority has given rise to, or is likely to give rise to unlawfulness or maladministration, he/she will prepare a report to the Combined Authority with respect to that proposal, decision or omission.
- 6.4 To monitor and review the operation of the Constitution on an annual basis, and to make changes to the Constitution in the circumstances set out below:
- (a) a legislative requirement;
 - (b) a minor variation which is of a non-substantive nature to enable them to be kept up to date and in order;
 - (c) required to be made to remove any inconsistency or ambiguity; or
 - (d) required to be made so as to put into effect any decision of the Combined Authority or its committees or any organisational changes.
- 6.5 Any such change made by the Monitoring Officer to this Constitution shall come into force with immediate effect. The Monitoring Officer will report any changes made to the Combined Authority Board as soon as is reasonably possible.

Member Code of Conduct

- 6.6 To deal with matters of conduct and ethical standards in accordance with the requirements of the Localism Act 2011.
- 6.7 To support the Audit and Governance Committee in promoting high standards of conduct.
- 6.8 To receive complaints that any Member has failed to comply with the Code of Conduct for Members.
- 6.9 To determine, after consultation with the Independent Person, whether to reject, informally resolve or investigate any complaint received, and to take such action as is necessary to implement that determination in accordance with the complaints procedure.
- 6.10 To arrange for the appointment of an Investigating Officer to investigate a complaint where the Monitoring Officer (in consultation with an Independent Person) determines that a complaint merits formal investigation.

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 6.11 To prepare and maintain the Authority's Register of Members' Interests and ensure it is available for inspection and published on the Combined Authority's website as required by the Localism Act 2011.
- 6.12 To grant dispensations from section 31(4) of the Localism Act 2011 in consultation with the Independent Person if, having had regard to all relevant circumstances, the Monitoring Officer considers that :
- (a) without the dispensation the number of persons prohibited by section 31(4) of the Localism Act 2011 from participating in any particular business would be so great a proportion of the body transacting the business as to impede the transaction of the business; or
 - (b) without the dispensation the representation of different political groups on the body transacting any particular business would be so upset as to alter the likely outcome of any vote relating to the business; or
 - (c) granting the dispensation is in the interests of persons living in the Combined Authority's area; or
 - (d) it is otherwise appropriate to grant a dispensation.

7 Legal Matters

- 7.1 To institute, conduct, prosecute and defend any legal proceedings on behalf of the Combined Authority, as may be necessary to protect and promote the Combined Authority's interests.
- 7.2 To settle, if appropriate, and in the interests of the Combined Authority, any actual or threatened legal proceedings.
- 7.3 To instruct Counsel and professional advisers, where appropriate.
- 7.4 To supervise the preparation and sealing or signature of legal documents.
- 7.5 To authorise other Officers to seal documents in accordance the Constitution, or to sign documents which are not required to be under seal.
- 7.6 To complete all property transactions and contractual arrangements where terms have been agreed by the Combined Authority, a Committee or Chief Officer acting under delegated authority.

Chapter 17 – Officer Scheme of Delegation and Proper Officers

- 7.7 To exercise the responsibilities assigned to the Monitoring Officer in this Constitution, including the Contract Procedure Rules.
- 7.8 To deal with and determine exemptions under Section 36 of the Freedom of Information Act 2000.
- 7.9 To accept on behalf of the Combined Authority the service of notices, orders and legal procedures.
- 7.10 Under Section 223 of the Local Government Act 1972 to authorise Officers who are not admitted solicitors to appear in Magistrates' Court on behalf of the Combined Authority.
- 7.11 To agree the terms for placing an officer at the disposal of another local authority.
- 7.12 To be responsible for determinations in relation to and maintenance of the list of politically restricted posts.

Part 2 - Schedules of Proper Officers

1. Introduction

- 1.1. Section 112(1) of the Local Government Act 1972, provides that the Combined Authority shall appoint such Officers as it thinks necessary for the appropriate discharge by the Combined Authority of such of its functions as fall to be discharged by them.
- 1.2. There are a number of specific references in the 1972 and 1985 Local Government Acts, which call for functions to be undertaken by what is termed the "Proper Officer". The following Schedules list such references and identify the Chief Officers responsible for their discharge:

2. Head of Paid Service

- 2.1. The Head of Paid Service is appointed the Proper Officer for the purpose of any enactment unless this Constitution has designed another Officer as Proper Officer

Chapter 17 – Officer Scheme of Delegation and Proper Officers

3. Chief Finance Officer

3.1. The Chief Finance Officer is appointed the Proper Officer in relation to the following:

4.14 To take decisions up to £500k, subject to any decisions being reported to the next Board meeting of the Combined Authority.

Local Government Act 1972

Receipt of money due from Officers	Section 115 (2)
Proper Administration of the financial affairs of the Combined Authority	Section 151

Local Government Act 1985

<u>Proper Administration of the financial affairs of the Combined Authority</u>	<u>Section 73</u> 151
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Local Government Finance Act 1988

To report in consultation with the Monitoring Officer if there is or is likely to be unlawful expenditure or an unbalanced budget.	Section 114
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4. Monitoring Officer

4.1. The Monitoring Officer is appointed the Proper Officer in relation to the following:

Local Government Act 1972

Declaration and Certificates with regard to securities	Section 146 (1) (a) and (b)
Deposit of Documents	Section 225 (1)
Certifications of photographic copies of documents	Section 229 (5)
Issuing and signing of formal notices	Section 234 (1) and (2)
Determination of those reports which should be available for public inspection prior to a meeting of the Combined Authority, and its Committees and	Section 100B (2)

Chapter 17 – Officer Scheme of Delegation and Proper Officers

those which are likely to be heard in private and consequently which should not be released to the public.	
Provision of documents to the press, additional to Committee reports	Section 100B (7)
Preparing written summaries of proceedings	Section 100C (2)
Making arrangements for list of, and background papers to reports, to be made available for public inspection.	Section 100D (1)
Determination of documents disclosing exempt information which may not be inspected by Members	Section 100F (2)
Signature of Summonses to Combined Authority meetings	Schedule 12 para 4 (2) (b)
Receipt of notices regarding address to which Summons to meetings of the Combined Authority is to be sent.	Schedule 12 para 4 (3)

5. General

- 5.1. All Officers in whose name reports are submitted to the Combined Authority are appointed the Proper Officers in relation to the following:

Local Government Act 1972

Compilation and retention of lists of background papers and copies of the relevant documents and reports; and	Section 100 D (1) (a)
Identifying and determining what are background papers	Section 100 D (5)

Chapter 18 - Officer Employment Procedure Rules

1. Introduction

- 1.1. These rules set out how Officers are appointed and dismissed and focus in particular on the role that Members have in officer appointments and dismissals.

2. Definitions

- 2.1. For the purpose of these rules:
- 2.1.1. A Chief Officer means a statutory Chief Officer or a non-statutory Chief Officer who reports directly to the Head of Paid Service for most or all of the duties carried out by them.
 - 2.1.2. A Deputy Chief Officer means a person who reports directly or is directly accountable to one or more of the Chief Officers for all or most of the duties carried out by them.
 - 2.1.3. Even though they may report directly to a Chief Officer or the Head of Paid Service, any administrative position shall not be considered a Deputy Chief Officer.

3. Recruitment of Head of Paid Service, Chief Officers and Deputy Chief Officers

- 3.1. The Combined Authority may directly employ or may second a member of staff from within the Constituent Councils.
- 3.2. Where the Combined Authority proposes to second or directly appoint a Head of Paid Service, Chief Officer or Deputy Chief Officer, a statement will be drawn up specifying:
- (a) the duties of the Officer concerned; and
 - (b) any qualifications or qualities to be sought in the person to be appointed.

Chapter 18 – Officer Employment Procedure Rules

- 3.3. Where it is proposed that the appointment will not be made exclusively from among the existing Officers of the Constituent Councils, the Combined Authority will make arrangements for the post to be advertised to bring it to the attention of persons who are qualified to apply for it.
- 3.4. The Combined Authority Board will make arrangements for a copy of the statement in paragraph 3.2 to be sent to any person on request.

4. Appointment of Head of Paid Service, Chief Officers & Deputy Chief Officers

- 4.1. The Combined Authority Board will approve the appointment of the Head of Paid Service, the Monitoring Officer and the Chief Finance Officer following the recommendation for appointment by an Employment Committee convened for that purpose.
- 4.2. The Employment Committee for the recruitment of the Head of Paid Service or statutory Chief Officers will include the Mayor or Deputy Mayor in his place.
- 4.3. The Combined Authority Board may only approve the appointment where no material or well-founded objection has been made by the Mayor to that appointment.

5. Avoiding Conflict in the Recruitment Process

- 5.1. Any person seeking appointment as an Officer of the Combined Authority shall be required to state in writing whether they are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece (“Relative”) of an existing Member or Officer or the partner of such persons.
- 5.2. No candidate related to a Member or Officer described above will be appointed as Head of Paid Service or as a Chief Officer without the agreement of the Mayor.
- 5.3. An Officer or Member must not be involved in the appointment or any other decision relating to the discipline, promotion, pay or conditions of an Officer, or prospective Officer who is a Relative, partner, partner of a Relative or friend. Friendship connotes a relationship going beyond regular contact with colleagues in the course of employment.

Chapter 18 – Officer Employment Procedure Rules

- 5.4. Any applicant who directly or indirectly seeks the support of any Member for any appointment within the Combined Authority will be disqualified from the recruitment process.
- 5.5. No Member of the Combined Authority will seek support for any person for any appointment with the Combined Authority.
- 5.6. This should not be interpreted to mean that Members and Officers are precluded from giving a written reference for a candidate for submission with an application for employment as appropriate.

6. Dismissal of Head of Paid Service, Statutory Chief Officers and Chief Offices

- 6.1. Only the Combined Authority may dismiss the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer following the recommendation of an Independent Panel.
- 6.2. Any disciplinary action regarding the Head of Paid Service, the Chief Finance Officer and the Monitoring Officer will be conducted in accordance with disciplinary procedures agreed by the Combined Authority.
- 6.3. The Combined Authority will establish an Employment Committee for the purpose of dismissing the Chief Officers and Deputy Chief Officers.
- 6.4. The Mayor, or his/her Deputy shall be a member of the Employment Committee which meets to consider any such dismissal.

7. Other Appointments and Dismissals Below Deputy Chief Officer

- 7.1. Where the Combined Authority proposes to directly appoint Officers below the level of Chief or Deputy Chief Officer, a statement will be drawn up specifying:
 - (a) the duties of the Officer concerned; and
 - (b) any qualifications or qualities to be sought in the person to be appointed.
- 7.2. It shall be the responsibility of a Chief Officer or Deputy Chief Officer to make appointments of Officers below the level of Deputy Chief Officer and such appointments may not be made by Members of the Combined Authority.

Chapter 18 – Officer Employment Procedure Rules

- 7.3. Appointments may be made from amongst the Constituent Councils and Officers may be seconded into or directly employed by the Combined Authority.
- 7.4. Where it is proposed that the appointment will not be made exclusively from among the existing Officers of the Constituent Councils, the Head of Paid Service will make arrangements for the post to be advertised in such a way as is likely to bring it to the attention of persons who are qualified to apply for it and to be supplied upon request.
- 7.5. The Head of Paid Service will also be responsible for the appointment of an assistant to a political group and shall make that appointment in accordance with the wishes of the Mayor.
- 7.6. It shall be the responsibility of the Head of Paid Service or his/her nominee to take the decision to dismiss Officers other than Chief Officers and Deputy Chief Officers and assistants to political groups.
- 7.7. Members will not be involved in the dismissal of any Officer below Deputy Chief Officer except where such involvement is necessary for the investigation. or inquiry into alleged misconduct through the Combined Authority's disciplinary procedures as adopted from time to time.
- 8. Code of Conduct and Declaration of Interest**
- 8.1. All staff are required to sign a code of conduct form and Chief Officers and Deputy Chief Officers are required to complete the register of interest form.

Chapter 19 - Member Code of Conduct and Complaints Procedure

1. Principles of Public Life

- 1.1. The Code of Conduct is intended to promote high standards of behaviour amongst the Members and Co-opted Members of the Combined Authority, including Members of the Business Board.
- 1.2. The Code is underpinned by the following principles of public life, which should be borne in mind, when interpreting the meaning of the Code:
 - i. **Selflessness**
Holders of public office should act solely in terms of the public interest.
 - ii. **Integrity**
Holders of public office must avoid placing themselves under any obligation to people or organisations that might try inappropriately to influence them in their work. They should not act or take decisions in order to gain financial or other material benefits for themselves, their family, or their friends. They must declare and resolve any interests and relationships.
 - iii. **Objectivity**
Holders of public office must act and take decisions impartially, fairly and on merit, using the best evidence and without discrimination or bias.
 - iv. **Accountability**
Holders of public office are accountable to the public for their decisions and actions and must submit themselves to the scrutiny necessary to ensure this.
 - v. **Openness**
Holders of public office should act and take decisions in an open and transparent manner. Information should not be withheld from the public unless there are clear and lawful reasons for so doing.
 - vi. **Honesty**
Holders of public office should be truthful.

Chapter 19 - Member Code of Conduct

vii. Leadership

Holders of public office should exhibit these principles in their own behaviour. They should actively promote and robustly support the principles and be willing to challenge poor behaviour wherever it occurs.

Part 1 – General Provisions

- 1.1 You are a Member or Co-opted Member of the Combined Authority or Business Board, and hence you shall have regard to the following principles – selflessness, integrity, objectivity, accountability, openness, honesty and leadership.

- 1.2 Accordingly, when acting in your capacity as a Member or Co-opted Member -

You must act in a manner consistent with the Board's diversity statement and treat your fellow Board Members, members of staff and others you come into contact with when working in their role with respect and courtesy at all times.

You must act solely in the public interest and should never improperly confer an advantage or disadvantage on any person or act to gain financial or other material benefits for yourself, your family, a friend or close associate.

You must not place yourself under a financial or other obligation to outside individuals or organisations that might seek to influence you in the performance of your official duties.

When carrying out your public duties or Business Board duties you must make all choices, such as making appointments, awarding contracts or recommending individuals for rewards or benefits, on evidence.

You are accountable for your decisions and you must co-operate fully with whatever scrutiny is appropriate to your office or position.

You must be as open as possible about your decisions and actions and the decisions and actions of your authority or Business Board. In addition, you should be prepared to give reasons for those decisions and actions.

You must declare any private interests, both pecuniary and non-pecuniary, including membership of any Trade Union, political party or local authority that relate to your public or Business Board duties. Furthermore, you must take steps to resolve any conflicts arising in a way that protects the public interest.

Chapter 19 - Member Code of Conduct

This includes registering and declaring interests in a manner conforming with the procedures set out in the section 'Registering and declaring pecuniary and non-pecuniary interests' below...

You must, when using or authorising the use by others of the resources of your authority or Business Board, ensure that such resources are not used improperly for political purposes or personal purposes (including party political purposes) and you must have regard to any applicable Local Authority Code of Publicity made under the Local Government Act 1986.

You must promote and support high standards of conduct when serving in your public post or Business Board post, in particular as characterised by the above requirements, by leadership and example.

Registering and declaring pecuniary and non-pecuniary interests

You must, within 28 days of taking office as a Member or Co-opted Member, notify your authority's Monitoring Officer¹ of any disclosable pecuniary interest², where the pecuniary interest is yours, your spouse's or civil partner's, or is the pecuniary interest of somebody with whom you are living with as a husband or wife, or as if you were civil partners.

In addition, you must, within 28 days of taking office as a Member, Co-opted Member or Business Board member, notify your authority's Monitoring Officer³ of any non-pecuniary interest⁴ which your Authority or Business Board has decided should be included in the register or which you consider should be included if you are to fulfil your duty to act in conformity with the Seven Principles of Public Life. These non-pecuniary interests will necessarily include your membership of any Trade Union.

Members should review their individual register of interest before each board meeting and decision making committee meeting. They must declare any relevant interest(s) at the start of the meeting.

¹ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's ~~S151~~~~S73~~ Officer

² For the purposes of this guidance, we are using the definition of a pecuniary interest as set out in the Localism Act 2011 and The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012.

³ As for footnote 1 above

⁴ A Non-Pecuniary interest is any interest which is not listed in the Schedule to The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012 (No.1464).

Chapter 19 - Member Code of Conduct

If an interest has not been entered onto the authority's register, then the Member must disclose the interest to any meeting of the authority at which they are present, where they have a disclosable interest in any matter being considered and where the matter is not a 'sensitive interest'.⁵

Following any disclosure of an interest not on the authority's register or the subject of pending notification, you must notify the Monitoring Officer⁶ of the interest within 28 days beginning with the date of disclosure.

Unless dispensation has been granted, you may not participate in any discussion of, vote on, or discharge any function related to any matter in which you have a pecuniary interest. Additionally, you must observe the restrictions your authority or Business Board places on your involvement in matters where you have a pecuniary or non-pecuniary interest as defined by your authority.

You are required to sign a document stating that you have read, understood and agree to abide with the requirements set out in part 1 of the Code of Conduct outlined above.

⁵ A 'sensitive interest' is described in the Localism Act 2011 as a member or co-opted member of an authority having an interest, and the nature of the interest being such that the member or co-opted member, and the authority's monitoring Officer, consider that disclosure of the details of the interest could lead to the member or co-opted member, or a person connected with the member or co-opted member, being subject to violence or intimidation.

⁶ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's ~~S151~~S73 Officer

Chapter 19 - Member Code of Conduct

Part 2 – Interests

1. Disclosable Pecuniary Interests

1.1. Disclosable pecuniary interests are specified in the table below:

	<i>Subject</i>	<i>Prescribed description</i>
1.	Employment, office, trade, profession or vocation	<p>Any employment, office, business, trade, profession or vocation carried on for profit or gain</p> <p>For the business board this should include remunerated public sector roles such as councillors.</p>
2.	Sponsorship	<p>Any payment or provision of any other financial benefit (other than from Combined Authority/Business Board) which is paid as a result of carrying out your duties as a Member, or towards your election expenses.</p> <p>This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.</p>
3.	Contracts	<p>Any contract with the Combined Authority/Business Board:</p> <p>(a) for goods, works or services are to be provided or works are to be executed; and</p> <p>(b) which has not been fully discharged</p> <p>This includes a contract between the Combined Authority/Business Board and any organisation in which you, or a person specified in paragraph 1.2 below, has a beneficial interest.</p> <p>For Business Board Members only</p> <p>Your declaration should include any contracts by any organisation named in 1 above.</p> <p>Any contract for goods, works or services entered into by any organisation named at 1. where either party is likely to have a commercial interest in the outcome of business being decided by the Business Board</p>

Chapter 19 - Member Code of Conduct

4.	Land	<p>Any beneficial interest in land which is within the area of combined authority.</p> <p>For Business Board Members only Any beneficial interest you or any organisation listed in 1 may have in land or property which is within the Business Board area which is likely to be affected by a decision made by the Business Board.</p>
5.	Licences	Any licence (alone or jointly with others) to occupy land in the Combined Authority's area (or Business Board's area for Business Board Members) for a month or longer.
6.	Corporate Tenancies	<p>Any tenancy where (to your knowledge):</p> <p>(a) the landlord is the Combined Authority or Business Board; and</p> <p>(b) the tenant is a body in which you, or a person listed in paragraph 1.2 below, has a beneficial interest</p>
7.	Securities	<p>Any beneficial interest in securities of an organisation under 1 where:</p> <p>(a) that body (to your knowledge) has a place of business or land in the Combined Authority's area (or Business Board's area for Business Board Members); and</p> <p>(b) either:</p> <p>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or</p>

Chapter 19 - Member Code of Conduct

		(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the person in paragraph 1.2 (below) has a beneficial interest exceeds one hundredth of the total issued share capital of that class.
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1.2. You must declare an interest if:

It is your interest, or

It is an interest of:

- (i) your spouse or civil partner;
- (ii) a person with whom you are living as husband and wife, or
- (iii) a person with whom you are living as if you were civil partners.

and you are aware that that other person has the interest.

2. Other Disclosable Interests

- 2.1. You must declare the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £50.
- 2.2. You should not act or take decisions in order to gain financial or other material benefits for yourself, your family, or your friends. You must declare and resolve any interests and relationships.

3. Registration of Disclosable Pecuniary Interests and Other Interests

- 3.1. Subject to paragraph 0 below (sensitive interests), you must, within 28 days of:
 - (a) this Code being adopted or applied by the Combined Authority/Business Board; or

Chapter 19 - Member Code of Conduct

- (b) your election or appointment (where that is later) notify the Monitoring Officer⁷ in writing of any disclosable pecuniary interests and other interests you have at that time.
- 3.2. Subject to paragraph 4.2 (sensitive interests) you must, within 28 days of becoming aware of any new disclosable pecuniary or other interest or any change to any such interest, notify the Monitoring Officer⁸ in writing of that new pecuniary interest or change.

4. Disclosable Pecuniary Interests in matters considered at meetings or by a Single Member

- 4.1. If you attend a meeting and are aware that you have a disclosable pecuniary interest in any matter to be considered at that meeting:
 - (a) if the interest is not entered in the register of members' interests you must disclose to the meeting the fact that you have a disclosable pecuniary or other interest in that matter;
 - (b) if you have not already done so, you must notify the Monitoring Officer⁹ of the interest before the end of 28 days beginning with the date of the disclosure;
 - (c) whether the interest is registered or not you must not unless you have obtained a dispensation from the Monitoring Officer to participate, or participate further, in any discussion of the matter at the meeting;
 - (d) whether the interest is registered or not you must not, unless you have obtained a dispensation from the Audit and Governance Committee participate in any vote, or further vote, taken on the matter at the meeting.

Sensitive Interests

- 4.2. Where you consider (and the Monitoring Officer agrees) that the nature of a disclosable pecuniary or other interest is such that disclosure of the details of the interest could lead to you, or a person connected with you, being subject to

⁷ In relation to the Business Board you should also notify the Business Board Chief Executive and Accountable Body's ~~S151~~S73 Officer

⁸ As above

⁹ As above

Chapter 19 - Member Code of Conduct

intimidation or violence, it is a “sensitive interest” for the purposes of the Code and the details of the sensitive interest do not need **to be disclosed to a** meeting, although the fact that you have a sensitive interest must be disclosed.

Part 3 – Related Documents

- 1.1 The following documents also provide guidance on the Standards of Conduct expected of Members and can assist in the interpretation of this Code of Conduct. These documents can be found in the Combined Authority’s Constitution.
 - (a) The Audit and Governance Committee Rules of Procedure set out the arrangements for dealing with an alleged breach of this Code.

Part 4 - Complaints Against Members of the Combined Authority

1. Introduction

- 1.1 The Combined Authority has adopted a Member Code of Conduct which applies to:
 - (a) all members of the combined authority, and co-opted members
 - (b) all members of its committees or sub-committees.
- 1.2 The code sets out how members will conduct themselves when carrying out combined authority business. All members must adhere to the code.

2. Making a complaint

- 2.1 A complainant alleging a failure to comply with the Code should submit their complaint in writing to the Legal Counsel and Monitoring Officer for initial assessment
- 2.2 The complaint must set out:
 - 2.2.1 who was involved;
 - 2.2.2 the alleged misconduct
 - 2.2.3 when and where it occurred; and
 - 2.2.4 how the complainant wants the complaint resolved;
 - 2.2.5 the name and a contact address or email address of the complainant.

Chapter 19 - Member Code of Conduct

- 2.3 The complainant should complete a complaints form available from the Combined Authority's website. Complaints can be made in writing without completing the form, but if information is missing, the complainant might be asked to resubmit the complaint by completing a form.
- 2.4 The Combined Authority does not normally investigate anonymous complaints, unless there is a clear public interest in doing so¹⁰.
- 2.5 Any person making a complaint who would like to keep their name and address confidential can indicate this on the complaint form. Where a person has asked for confidentiality the Monitoring Officer will not disclose their name and address to the member complained about without prior consent.
- 2.6 Even where anonymity is agreed at the outset of the complaint it may not always be possible to bring the matter to hearing without the complainant agreeing to give evidence at the hearing.

3. Stage 1 - Initial Assessment of Complaints Received

- 3.1 The Monitoring Officer will:
 - 3.1.1 acknowledge the complaint within five working days of receiving it;
 - 3.1.2 notify a member about any complaint against them;
 - 3.1.3 undertake an initial assessment of the complaint to determine whether the complaint should be investigated.
- 3.2 Where a complaint may relate to a member in their capacity as a Member of a constituent council, the Monitoring Officer will consult with the Monitoring Officer of the relevant council.
- 3.3 Any complaints about the Police and Crime Commissioner or his/her substitute will be referred to the Police and Crime Panel.
- 3.4 The Monitoring Officer may decide to consult the Independent Person.¹¹

¹⁰ The Monitoring Officer has to balance the rights of the member to understand who is making a complaint against them, against the rights of the person making the complaint. The person making the complaint will have to provide reasons why their name ought to remain confidential. If the Monitoring Officer does not consider those reasons justify anonymity, the complainant will be given the opportunity to withdraw the complaint if they do not wish to proceed without anonymity.

¹¹ The Independent Person is appointed by the Combined Authority to provide an impartial and independent opinion regarding the conduct of the member. The Independent Person is not an elected member of a constituent council or the Combined Authority.

Chapter 19 - Member Code of Conduct

- 3.5 The Monitoring Officer will decide the complaint should be dealt with under stage 2 of the procedure – informal resolution. (Stage 2) or whether to proceed to a matter for formal investigation (Stage 3). The Monitoring Officer will have regard to a range of factors including:
 - 3.5.1 Whether there is sufficient information upon which to base a decision;
 - 3.5.2 How serious the alleged action is;
 - 3.5.3 Is the complaint politically motivated, vexatious or tit for tat;
 - 3.5.4 Has there been any delay between the action complained of and the complaint;
 - 3.5.5 Do the allegations relate to actions occurring whilst the subject member was acting in their official capacity;
 - 3.5.6 The opinion of the elected member regarding the complaint.
- 3.6 The initial assessment will normally be completed within 28 days of receiving the complaint and the person making the complaint and the member will be informed, in writing, of the outcome.
- 3.7 Unless exceptional circumstances exist, the Monitoring Officer will always inform the member of the receipt and nature of the complaint and invite their comments.
- 3.8 Where the Monitoring Officer requires additional information to come to a decision, they may refer back to the person making the complaint or ask the member against whom the complaint is directed.
- 3.9 If the complaint identifies criminal conduct or breach of other regulation by any person, the Monitoring Officer is authorised to refer the complaint to the Police and other regulatory agencies.

4. Stage 2 - Informal Resolution

- 4.1 In appropriate cases, the Monitoring Officer may seek to resolve the complaint informally, without the need for a formal investigation. Informal resolution may include:
 - 4.1.1 An **explanation** by the member of the circumstances surrounding the complaint;
 - 4.1.2 An **apology** from the member;
 - 4.1.3 An agreement from the member to attend relevant **training** or take part in a **mentoring** process;
 - 4.1.4 An offer of **mediation or conciliation** between the member and the complainant; or

Chapter 19 - Member Code of Conduct

4.1.5 **Any other action** capable of resolving the complaint.

5. Stage 3 -Formal Investigation

- 5.1 If the Monitoring Officer and Independent Person decide that a complaint merits formal investigation, they will appoint an Investigating Officer. This could be another officer of the authority, or of another authority or an external investigator. The decision regarding the appointment will depend upon a variety of factors including staff capacity and nature of the complaint.
- 5.2 The investigating officer will decide to whom they need to speak. It is likely that they will begin the investigation by speaking to the person making the complaint and to gather any documents the investigating officer needs to see. This will also help the investigating officer to decide whom they need to interview.
- 5.3 The investigating officer would normally
- (a) write to the member complained of,
 - (b) provide them with a copy of the complaint,
 - (c) ask the member to provide their explanation of events,
 - (d) identify what documents they need to see, and
 - (e) make a list of interviewees.
- 5.4 In exceptional cases, where disclosure of the details of the complaint to the member might prejudice the investigation, the investigating officer may delay notifying the member until the investigation has progressed sufficiently.
- 5.5 At the end of the investigation, the investigating officer will produce a draft report and will send copies of that draft report, in confidence, to the person making the complaint and to the member concerned, giving both an opportunity to identify any matter in that draft report which they disagree with or which they consider requires more investigation.
- 5.6 Having received and taken account of any comments which may be made on the draft report, the investigating officer will send the final report to the Monitoring Officer. The Combined Authority aims to conclude the investigation stage within three months of a complaint being received.
- 5.7 The Monitoring Officer will, in consultation with the independent person, review the investigating officer's report.

Chapter 19 - Member Code of Conduct

5.8 If the investigating officer concludes that there is evidence of a failure to comply with the Code of Conduct, the Monitoring Officer in consultation with the Independent Person will either:

- (a) seek a local resolution or
- (b) send the matter for local hearing before the Hearings Panel

6. Local Resolution

6.1 The Monitoring Officer may consider that the matter can be resolved without the need for a hearing. Such resolution may include the member accepting that their conduct was unacceptable and offering an apology, and/or other remedial action agreed. If the member complies with the suggested resolution, the Monitoring Officer will report the matter to the authority's Audit and Governance Committee for information, but will take no further action.

7. Local Hearing

7.1 The Monitoring Officer will report the Investigating Officer's report to the Hearings Panel of the Audit and Governance Committee, which will conduct a local hearing to decide whether the member has failed to comply with the Code of Conduct and, if so, whether to take any action in respect of the member.

7.2 The Hearings Panel is a Sub-Committee of the Combined Authority's Audit and Governance Committee and will consist of three members of the Committee.

7.3 The Monitoring Officer will conduct a "pre-hearing process", asking the member to give their response to the Investigating Officer's report. This will identify what is likely to be agreed and what is likely to be in contention at the hearing. The Chairperson of the Hearings Panel may decide, in consultation with the Monitoring Officer to give instructions about the way in which the hearing will be conducted.

7.4 At the hearing, the Investigating Officer will present their report, call such witnesses as they consider necessary, and make representations to substantiate their conclusion that the member has failed to comply with the Code of Conduct. For this purpose, the Investigating Officer may ask the complainant to attend and give evidence to the Hearings Panel.

7.5 The member will then have an opportunity to give their evidence, to call witnesses and to make representations to the Hearings Panel as to why they consider that they did not fail to comply with the Code of Conduct.

Chapter 19 - Member Code of Conduct

- 7.6 The Hearings Panel, with the benefit of any advice from the Independent Person, may conclude that the member did not fail to comply with the Code of Conduct, and so dismiss the complaint.
- 7.7 Alternatively, if the Hearings Panel finds that the member did fail to comply with the Code of Conduct, the Chairperson will inform the member of this finding and the Hearings Panel will then consider what action, if any, the Hearings Panel should take as a result of the member's failure to comply with the Code of Conduct. In doing this, the Hearings Panel will give the member an opportunity to make representations to the Panel and will consult the Independent Person.

8. Actions Hearings Panel can take for failure to comply with the Code

- 8.1 The Combined Authority has delegated to the Hearings Panel such of its powers to take action in respect of individual members as may be necessary to promote and maintain high standards of conduct. Accordingly, the Hearings Panel may:
- (a) Publish its findings in respect of the member's conduct;
 - (b) Report its findings to Combined Authority for information;
 - (c) Recommend to the Constituent Council or to the Combined Authority that they be removed from any or all Committees or Sub-Committees of the Combined Authority;
 - (d) Recommend to the Mayor that the member be removed from particular Portfolio responsibilities;
 - (e) Recommend to the Combined Authority to remove the member from any or all outside appointments to which they have been appointed or nominated by the authority;
 - (f) Recommend to Combined Authority that it restricts the member from contacting specified Combined Authority's officers.
- 8.2 The Hearings Panel has no power to suspend or disqualify the member or to withdraw members' allowances.

Chapter 19 - Member Code of Conduct

- 8.3 At the end of the hearing, the Chairperson will state the decision of the Hearings Panel as to whether the member failed to comply with the Code of Conduct and set out any actions which the Hearings Panel resolves to take.
- 8.4 The Monitoring Officer will prepare a formal decision notice in consultation with the Chairperson of the Hearings Panel, and send a copy to the person making the complaint, to the member, and make the decision notice available for public inspection. If appropriate the Monitoring Officer will report the outcome of the hearing to the next Combined Authority meeting.

9. Independent Person

- 9.1 The Independent Person is invited to attend all meetings of the Hearings Panel and their views are sought before the Hearings Panel takes any decision on whether the member's conduct constitutes a failure to comply with the Code of Conduct and determines any action to be taken following a finding of failure to comply with the Code of Conduct.
- 9.2 The Independent Person is a person appointed by a positive vote from a majority of all the members of Combined Authority. A person cannot be "independent" if they –
- 9.3
- (a) are, or have been within the past five years, a member, co-opted member or officer of the combined authority, constituent council or any parish council within the Combined Authority area;
 - (b) are a relative or close friend, of a person within paragraph a above. For this purpose, "relative" means –
 - i) Spouse or civil partner;
 - ii) Living with the other person as husband and wife or as if they were civil partners;
 - iii) Grandparent of the other person;
 - iv) A lineal descendent of a grandparent of the other person;
 - v) A parent, sibling or child of a person within paragraphs i or ii;
 - vi) A spouse or civil partner of a person within paragraphs iii, iv or v; or
 - vii. Living with a person within paragraphs iii, iv or v as husband and wife
 - vii) or as if they were civil partners.

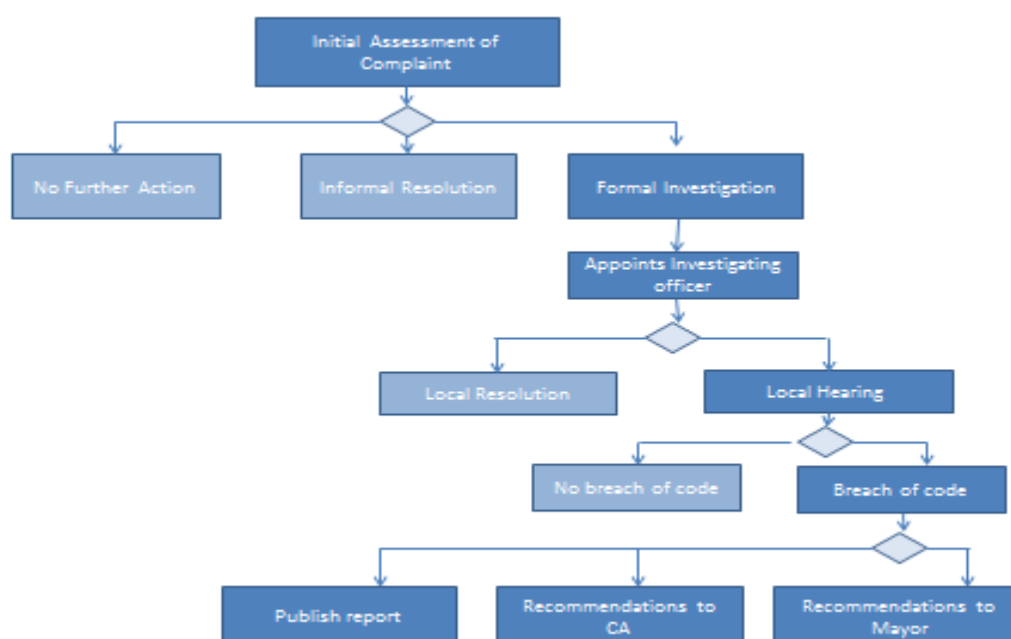
10. Revision of these arrangements

Chapter 19 - Member Code of Conduct

- 10.1 The Combined Authority may by resolution agree to amend these arrangements, and has delegated to the Chairperson of the Hearings Panel the right to depart from these arrangements where they consider it is expedient to do so to secure the effective and fair consideration of any matter.

11. Appeals

- 11.1 There is no right of appeal for a complainant or for the member against a decision of the Monitoring Officer or of the Hearings Panel.
- 11.2 If a complainant feels that the authority has failed to deal with their complaint properly, they may make a complaint to the Local Government Ombudsman.



Appendix 1 - Portfolio Holders

Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
Mayor	<p>Leadership of the Combined Authority</p> <p>Engagement with Government Ministers and Departments</p> <p>Overarching responsibility for developing and implementing the strategic direction of the Combined Authority</p> <p>Effective governance of the Combined Authority, including transparency and openness</p> <p>Chair of Combined Authority</p> <p>Nominating Portfolios and chairs of executive committees</p> <p>Public sector reform</p> <p>Ambassador for Cambridgeshire and Peterborough to secure inward investment</p> <p>Future devolution deals including securing new powers and associated budget responsibilities for the Combined Authority</p> <p>Assurance and Monitoring and Evaluation Frameworks</p> <p>The Mayor has executive functions in relation to the Mayoral budget and non-statutory spatial planning.</p> <p>Communications Strategy</p>	James Palmer, Mayor
Deputy Mayor (statutory) & Portfolio Holder for	The Deputy Mayor carries a statutory responsibility and acts on behalf of the Mayor as designated or in their absence.	Cllr Charles Roberts

Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
Economic Growth	<p>Lead Member of the Business Board (local enterprise partnership) for the Combined Authority</p> <p>In conjunction with the Business Board, responsible for the development of the Local Industrial Strategy Aligning delivery of the Local Industrial Strategy with the strategic framework of the Combined Authority</p> <p>Relations with the business community, industry and enterprise</p> <p>Combined Authority local and national ambassador for key business sectors:</p> <ul style="list-style-type: none"> • Life Sciences and Healthcare • Advanced Manufacturing • Agritech • ICT, Digital and Creative <p>Place-based growth strategies including Market Towns and Core Cities</p> <p>Enterprise zones</p> <p>Impact of Brexit</p>	
Deputy Mayor (constitutional) & Portfolio Holder for Skills and Chair of the Skills Committee	<p>Skills Strategy: Employer focused skills system</p> <p>Peterborough University</p> <p>Apprenticeships and Pathways to Employment Scheme</p> <p>Adult Education Devolution</p> <p>Education Committee and coordination lead with Regional Schools Commissioner</p>	Cllr John Holdich



Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
	<p>Coordination with the Department for Education on the Opportunity Area programme</p> <p>Centre for Skills (in conjunction with the Business Board)</p> <p>The Skills Framework and Action Plan for Adult Education</p> <p>Coordination with DWP and the Work & Health Programme</p> <p>Innovation Fund and the Health and Care Sector Work Academy</p> <p>16+ Area Review outcomes</p> <p>Apprenticeship Grant for Employers of 16 to 24 years</p>	
Spatial Planning and Chair of the Land Commission	<p>Non-statutory spatial plan</p> <p>Developing and managing the delivery of the Non Statutory Spatial Plan</p> <p>Chair of Land Commission - supply of public sector land</p>	Cllr Lewis Herbert
Transport and Infrastructure and Chair of the Transport and Infrastructure Committee	<p>Development of Local Transport Plan (for approval by Board)</p> <p>Sustainable transport</p> <p>Bus strategy</p> <p>Monitoring and delivery of and budget for major transport and connectivity programmes</p> <p>Development of the Transport Levy for recommendation to the board</p> <p>Road network and infrastructure</p>	<u>James Palmer, Mayor</u>



Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
	<p>Key transport partnerships including Network Rail and private sector transport providers</p> <p>Lead Member for Local Highways Authorities and the Strategic Highway Authority</p> <p>Clean Air</p> <p>Energy and Clean Growth</p> <p>Renewable energy</p> <p>Security of energy supply</p> <p>Strategic relationships with utility providers</p>	
Investment and Finance	<p>Strategic fiscal planning</p> <p>Investment strategy</p> <p>Budget setting and monitoring</p> <p>Financial planning and treasury management</p> <p>Investment management</p> <p>Facilitating inward investment</p> <p>Audit and financial governance</p> <p>Assurance Framework and Monitoring and Evaluation Framework</p>	Cllr Steve Count
New Homes and Communities and Chair of the Housing and Communities Committee	<p>Development of the Housing Strategy</p> <p>Development of the Housing Strategy</p> <p>Overseeing the delivery of major housing schemes – including the Housing Investment Fund</p> <p>Monitoring and reporting to the Combined Authority Board on the affordable housing programmes, including:</p>	<p>Mayor</p> <p><u>Cllr Charles Roberts</u></p>

Appendix 1 - Portfolio Holders

Portfolio	Key Responsibilities	Portfolio Holder
	<ul style="list-style-type: none"> - Delivery of the £100M housing devolution investment fund for the Combined Authority area - Delivery of the £70M housing devolution investment fund to support Cambridge City <p>Strategic relationships with the HCA, housing providers, developers and builders</p> <p>Culture and Tourism</p> <p>Open Space and Amenities</p> <p>Lead member for the Connecting Cambridgeshire Project</p> <p>Wellbeing and Public Health issues across all Portfolios</p> <p>Social action and the voluntary, community and social enterprise sector</p> <p>Community Lead Member and Responsibility for the consultation strategy</p>	

Appendix 2 - Working Groups

Cambridgeshire and Peterborough Land Commission

1. Purpose of the Working Group

- 1.1. To bring forward the supply of land for development to meet Cambridgeshire and Peterborough's growth needs
- 1.2. Develop a comprehensive database of available land across Cambridgeshire and Peterborough, focussing first on public land
- 1.3. Identify barriers to the disposal and development of key strategic sites
- 1.4. Take account of existing analysis and plans across the area
- 1.5. Work with partners and authorities to develop solutions and make recommendations to the CPCA Board to overcome those barriers
- 1.6. Where appropriate make recommendations to the Mayor, Combined Authority, and Government to ensure development opportunities are brought forward in line with the needs and ambitions of Cambridgeshire and Peterborough
- 1.7. The Land Commission will work alongside and complement the ongoing One Public Estate programme – recognising that partners have already developed much work and established networks that will be valuable resources for the work of the Land Commission. For example, a “mapping of the public realm” has already taken place and will be the starting point for the work of the Land Commission. However, the One Public Estate programme in our area has not to date taken on a strategic role in assessing and overcoming what factors are holding back the supply of land for development – and therefore the Land Commission will act as a catalyst for Cambridgeshire and Peterborough to use established networks to take a fresh and strategic approach to land supply.

2. Membership

- 2.1. The proposed membership of the Land Commission Board is:
 - (a) Combined Authority Portfolio Holder for Spatial Planning (Chair)
 - (b) Combined Authority Portfolio Holder for New Homes and Communities

Appendix 2 – Working Groups

- (c) Combined Authority Fiscal Portfolio Holder
- (d) Cambridgeshire County Council representative
- (e) Senior Government Representative –DCLG
- (f) NHS/Health Representative – TBC
- (g) Homes England Representative - TBC
- (h) Private / Industry Sector Expert(s) –Director and Head of National Strategic Development, Savills
- (i) Chair of the One Public Estate Board
- (j) Combined Authority Lead Officer –

3. Responsibilities

- 3.1. Land Commission in the first 18 months of its existence is tasked with undertaking three key aims:
 - (a) Identify specific barriers that are holding back the supply of private and public land for key strategic development sites in Local Plans, and work with partners to bring forward recommendations to overcome these (this is anticipated to include sites where complex multiple ownership dimensions exist, and land assembly solutions are needed to bring forward development);
 - (b) Develop a register of publicly owned land across the area to ensure the long-term supply of land for future development needs;
 - (c) Identify any common factors that are holding back the supply of land for development across the geography, and work with partners to bring forward recommendations to overcome these.

4. Governance

- 4.1. The Land Commission will not be a decision-making body. Its purpose is to identify solutions and make recommendations to the Combined Authority Board for the implementation of solutions.

Appendix 3 – Co-opted Members

Appendix 3 - Co-opted Members

The Co-opted Members appointed to the Board include:

- (a) The Police and Crime Commissioner for Cambridgeshire;
- (b) Cambridgeshire and Peterborough Fire Authority representative;
- (c) Clinical Commissioning Group representative.

Appendix 4 - Independent Economic Commission

1. Terms of Reference

1.1 The Cambridgeshire and Peterborough Independent Economic Commission (IEC) will:

- (a) develop an authoritative evidence base on the economic performance and potential of Cambridgeshire and Peterborough and its component parts that commands attention at the highest levels of Government;
- (b) reframe thinking about devolution within the UK policy debate –exploring the potential for devolution to unlock growth and improve social outcomes in multi-centred economies as well as in England’s core and key cities;
- (c) provide impartial advice and guidance, on an ongoing basis, on the performance and growth of the Cambridgeshire and Peterborough economy;
- (d) inform choices on policy priorities and strategic investment that are made locally, at the Cambridgeshire and Peterborough level, at national level and at European level; and
- (e) foster a common understanding of the future development of Cambridgeshire and Peterborough’s economy and the long term drivers for change across local partners, and Whitehall and Ministers.

1.2 The IEC will provide a robust and independent assessment of the Cambridgeshire and Peterborough economy and its potential for growth. This will provide the evidence base on which Cambridgeshire and Peterborough partners, and partners at national level, can continue to build a collaborative approach to growth and devolution. As part of its early work, the panel will carry out and publish a detailed review that will include:

- (a) a full economic baseline study;
- (b) economic forecasting to determine the potential impact of various scenarios over the next ten years and how the Cambridgeshire and Peterborough economy could respond to these;

Appendix 4 – Independent Economic Commission

- (c) an assessment of whether the Cambridgeshire and Peterborough economy is fit for purpose and its future economic potential;
- (d) analysis of how partners' investment in key drivers of growth (e.g. key towns, key sectors, key infrastructure) across Cambridgeshire and Peterborough could maximise long-term returns for all areas; and
- (e) an analysis of the impact that the devolution of key economic powers and levers could have on economic output and productivity.
- (f) The Commission's terms of reference will include health and social care workforce issues;

1.3 The Commissioners will:

- (a) undertake (and commission as required) high quality research into the performance and opportunities of the Cambridgeshire and Peterborough economy, acquiring and developing data as necessary to build on existing national and local sources;
- (b) engage with local public and private sector stakeholders to build a thorough understanding of the local economic environment and to learn from previous work carried out by partners;
- (c) be an independent body, which will provide ongoing advice to the Combined Authority and issue specific reports at times to be agreed; and
- (d) receive the support of an independent secretariat.

2. Independent Economic Review: Terms of Reference

Baseline Questions

2.1. The Independent Economic Review (IER) will answer a set of Baseline Questions (BQs) using secondary material to hand and other such primary research (such as the Strategic Economic Plan evidence base and expert interviews) as are appropriate. One of the first tasks of the Technical Advisory Board will be to review the following list of questions and to modify, extend or otherwise edit them:

1. How does Cambridgeshire and Peterborough achieve continued prosperity and high growth rates?

Appendix 4 – Independent Economic Commission

2. How equitable is growth across the whole of Cambridgeshire and Peterborough and what strategies should be adopted in future to address this issue?
3. How should Cambridgeshire and Peterborough describe its uniqueness or brand to attract further investment from Government and the private sector?
4. What will be the key industry sectors for Cambridgeshire and Peterborough in the next five and 10 years, what is needed to support these sectors?
5. What are Cambridgeshire and Peterborough's regional, national and international links?
6. How important is Cambridgeshire and Peterborough for the regional and national economy?
7. How far can economic activity that occurs in Cambridgeshire and Peterborough be shown to be net additional to the UK economy, rather than just displacement?
8. Is Cambridgeshire and Peterborough achieving its full growth potential, and if not what factors are preventing this?
9. Do other growing cities like Cambridge and Peterborough share common characteristics, problems and infrastructure requirements and what can we learn from them?
10. What types of infrastructure investment would best enable Cambridgeshire to achieve its full growth potential and contribute to regional and national economic growth?
11. Are there key areas of investment and projects which should be undertaken?
12. Are there any policy and planning recommendations which arise from the answers to these questions?

Outputs

Appendix 4 – Independent Economic Commission

2.2. The outputs of the IER will be:

1. A report to the Combined Authority Board
2. Presentations summarising the work and its implications
3. Workshops and seminars to explain the work and its implications
4. Conference and media appearances and press interviews
5. Publication on the Combined Authority and other web sites

Appendix 5 - Business Board

Part 1 – Functions and Membership

1. Governance

- 1.1. The Business Board is a non-statutory body which is the Local Enterprise Partnership for its area.
- 1.2. It is independent of the Combined Authority operating as a private-public sector partnership, focusing on the key business sectors to provide strategic leadership and drive growth in the Cambridgeshire and Peterborough and wider Local Enterprise area.
- 1.3. Between 1 April and September 2018 the Business Board will recruit and appoint its membership and appoint a private sector Chair.

2. Functions

- 2.1. Local Enterprise Partnerships have a vital leadership role to play, and are responsible for developing and maintaining the Strategic Economic Plan, which should provide the basis for investment decisions for the accountable decision-making authority. Local Enterprise Partnerships already fulfil an integral role in allocating Local Growth Fund spend, which HM Government expects to continue for future awards, alongside their continued responsibility for delivery of existing projects.
- 2.2. The Business Board will be the custodians of the Local Industrial Strategy and will work in accordance with those supporting strategies and plans to the Local Industrial Strategy including place based strategies and the skills strategy.
- 2.3. The Local Industrial Strategy will underpin the development of a single framework of policies which frame the decision making of the Combined Authority and the Business Board, such as the Skills Strategy, the Housing Strategy and the Assurance Framework.
- 2.4. In accordance with the Single Pot Assurance Framework National Guidance, the Business Board and the Combined Authority Board as the accountable decision making body will work to agree a single local assurance framework,

Appendix 5 – Business Board

and submit it to DCLG for approval. The Assurance Framework will be reviewed annually.

- 2.5. The interim terms of reference from May to September 2018 are set out in Appendix 1. The terms of reference will be agreed at the Business Board's official launch in September 2018

3. The Business Board's accountable body

- 3.1. Cambridgeshire and Peterborough Combined Authority ('the Combined Authority') is the accountable body for funding allocated to the Business Board; that is, the Combined Authority is responsible to Government for complying with any conditions or requirements attached to any such funding.

4. Membership

- 4.1. The Business Board membership is currently under consideration and is proposed as follows:

Public Sector Representatives

- 4.2. The Mayor and the Portfolio for Economic Growth of the Combined Authority shall be a member of the Business Board by virtue of their office. The Combined Authority may appoint at least one Substitute Member to act in their absence.

Private Sector Representatives

- 4.3. The private sector membership is subject to consultation with the public and private sector members of the current Combined Authority and former LEP geography. Up to eight business representatives are proposed – one member will be appointed specifically to represent the interests of the SME sector and one member will represent the education sector).
- 4.4. The majority of Business Board members shall be private sector representatives.

Appendix 5 – Business Board

Requirements for Private Sector Representatives

- 4.5. The Private Sector Board members must not:
- be a member, officer of the Combined Authority, or a County Council, Unitary Council, District tier Council within the area served by the Business Board, or otherwise employed under the direction of a local authority;
 - be a non-executive director or officer of an NHS Trust;
 - be subject to a bankruptcy restriction order or interim order;
 - be subject to a sexual risk order or be on the sexual offenders' register;
 - be subject to a civil injunction or criminal behaviour order;
 - be disqualified from acting as a director, a charter trustee or charity trustee;
 - within five years before the date of submission of application, have been a director or person of significant control of a company subject to a creditors compulsory liquidation;
 - within five years before the date of submission of application, have been convicted of any offence and have had passed on them a sentence of imprisonment, whether suspended or not, for a period of not less than 3 months without the option of a fine.
- 4.6. Members should not have made substantial personal contributions to any recognised political party, and must not serve as an officer in any recognised political party.
- 4.7. Members must live in the area served by the Business Board, and / or be employed by, or have a substantial interest (by virtue of ownership / control) in businesses in the area served by the Business Board
- 4.8. The Business Board shall appoint the **private sector representatives** to the Business Board. Each private sector representative on the Business Board is appointed in their individual capacity, and not as a representative of their employer or any other organisation. No substitute members will be appointed for private sector representatives.

Appendix 5 – Business Board

- 4.9. The Business Board will select the private sector representatives in accordance with the Business Board's diversity statement and through an open, transparent and non- discriminatory competition which assesses each candidate on merit. This may include an interview process conducted by a Business Board appointments panel, to include the Business Board Chair.
- 4.10. Within the period of 28 days of the appointment being made to the Business Board, the Business Board shall publish a notice on its website which:
- (a) states that it has made an appointment;
 - (b) identifies each Business Board member who has been appointed and any Substitute Members; and
 - (c) specifies the term of office of those appointed.
- 4.11. The term of office shall be **private sector representatives** will normally be a maximum of three years, and subject to a maximum of three consecutive terms. unless:
- (a) they cease to qualify to be a member of the Business Board;
 - (b) they resign from their membership and communicate this in writing to the Legal Counsel and Monitoring Officer; or
 - (c) the Business Board terminates the membership of any private sector representative which it may do at any time.
- 4.12. The term of office of **public sector** members and substitute members appointed by the Combined Authority is at their discretion; the Combined Authority Board may terminate their appointment or appoint a representative at any time, to be of effect on receipt of a notice by the Combined Authority's Legal Counsel and Monitoring Officer.

5. Chair and Vice-Chair of Business Board (From September 2018)

- 5.1. The Business Board will appoint a private sector representative as Chair and Vice Chair.

Appendix 5 – Business Board

- 5.2. The Chair and Vice Chair shall be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Business Board's diversity statement. This will include an interview process conducted by a Business Board's appointments panel.
- 5.3. The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chair and Vice Chair. A person ceases to be Chair or Deputy Chair if they cease to be a Business Board member.
- 5.4. The Chair will be a voting member of the Combined Authority Board. The Vice Chair will be a non-voting member of the Combined Authority Board except when substituting for the Chair

6. Working Groups

- 6.1. The Committee may appoint informal non-decision making working groups.

7. Code of Conduct and Register of Interests

- 7.1. Every Business Board member must sign and comply with the Business Board member code of conduct.
- 7.2. Each Business Board member must complete and keep up to date a register of interest form required under the code of conduct. The register of interest form will be published on the Combined Authority's website within 28 days from the date of the appointment.
- 7.3. Any declarations of interest made by a Business Board member at a meeting and any action taken, (such as leaving the room, or not taking part), will be recorded in the minutes for that meeting. The member should update their register of interest form within 7 days of the meeting if a new interest has been declared.
- 7.4. Any alleged breach of the Business Board member code of conduct will be dealt with under the Combined Authority's Member Complaints Procedure.

8. Scrutiny Arrangements

- 8.1. The Combined Authority's Overview and Scrutiny Committee may review or scrutinise. The Combined Authority's Scrutiny Officer shall ensure that this

Appendix 5 – Business Board

includes appropriate scrutiny of Business Board decision-making and achievements.

- 8.2. Any Business Board member may be asked to attend, or otherwise contribute to, a meeting of the Combined Authority's Overview and Scrutiny Committee.
- 8.3. The Combined Authority's Audit and Governance Committees will also review the local assurance framework and how the local assurance frameworks are operating in practice.

9. Complaints and Whistleblowing

- 9.1. Any complaint received about the Business Board will be dealt with under either the Combined Authority and Business Board's Complaints or Confidential Complaints Policy.
- 9.2. Any complaint about an individual Business Board member alleging a breach of the Code of Conduct will be dealt with in accordance with paragraph 7 above.
- 9.3. Any whistleblowing concerns raised about the Business Board will be dealt with under the Combined Authority and Business Board's Whistleblowing Policy.
- 9.4. Each of these procedures or policies shall be published on the Combined Authority web-site and accessible from the Business Board's web-site.

10. Remuneration

- 10.1. Allowances or expenses shall be payable to any Business Board member, in accordance with a scheme approved from time to time by the Combined Authority.

11. Amendments to the Constitutional

- 11.1. The Business Board will recommend any proposed changes to the Constitution to the Combined Authority.
- 11.2. The Combined Authority's Legal Counsel and Monitoring Officer is authorised to make any changes to any constitutional or governance documents which are required:

Appendix 5 – Business Board

- (a) as a result of any government guidance, legislative change or decisions of the Business Board, or
- (b) to enable the documents to be kept up to date, or
- (c) for the purposes of clarification only.

12. Publication of constitution and other governance documents

- 12.1. This constitution and other governance documents shall be published on the Combined Authority website and accessible from the Business Board website.

Part 2 – Procedure Rules

13. Meetings

- 13.1. The Business Board shall have at least two public meetings a year to include its Annual General Meeting
- 13.2. An extraordinary meeting of the Business Board may be called by:
 - (a) the Chair of the Business Board; or
 - (b) any two Members of the Committee;
 - (c) the Chief Executive.

14. Attendance of the public at meetings

- 14.1. With the exception of 1.1 above, meetings of the Business Board shall not be open to the public unless determined otherwise by the Chair. The Business Board is an advisory board and all decisions are ratified by the Combined Authority. Combined Authority rules are open to the public in accordance with the Transparency rules in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#) of the Combined Authority constitution.
- 14.2. The public may have access to agenda, reports and minutes of public and private meetings except where they disclose exempt or confidential information in accordance with the Transparency rules in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#) of the Combined Authority constitution.

Appendix 5 – Business Board

15. Quorum

- 15.1. No business is to be transacted at a meeting of the Business Board unless at least **two-thirds** of the total number of Members of the Board are present.

16. Voting

- 16.1. Wherever possible, decisions of the Board will be by consensus, without the need for a vote. Where this is not possible a vote may be taken where the Chair considers it to be necessary to establish whether a consensus exists.
- 16.2. Each Member of the Business Board appointed from the Combined Authority is to have one vote and no Member (including the Chair) is to have a casting vote.
- 16.3. The vote will be by way of a show of hands and the vote of each member recorded in the minutes.
- 16.4. Any questions that are to be decided by the Business Board are to be decided by a simple majority of the Members present and voting. If a vote is tied on any matter it is deemed not to have been carried.

17. Conflicts of Interest

- 17.1. Members must comply with the Member Code of Conduct within this Constitution.

18. Decisions of the Business Board

- 18.1. The draft minutes of each meeting of the Business Board will be posted on the Combined Authority and Business Board website within 10 clear working days of the meeting taking place. The agreed minutes of each meeting will be published within 10 clear working days after approval at the subsequent meeting.
- 18.2. All decisions of the Business Board will be ratified at the next meeting of the Combined Authority Board. Where the Combined Authority does not agree with the recommendations, they will refer to matter back to the Business Board with the reasons and ask the Business Board to reconsider.

Appendix 5 – Business Board

19. Forward Plan

- 19.1. The Committee will set its own work programme and its forward plan will be published in accordance with the Transparency rules in [Chapter 6 - Transparency Rules, Forward Plan and Key Decisions](#) of the Combined Authority constitution.

Format

Appendix 5 – Business Board

Appendix 5 (Annex 1) - Terms of reference for the Business Board

Purpose of Shadow Board

The purpose of the Shadow Board will be to:

- (1) Agree the vision for the Business Board and its relationship with the Combined Authority as the Accountable Body.
- (2) Prepare for the new Business Board (initially with reduced membership) to be formally constituted from 1st April 2018.
- (3) Ensure an appropriate governance structure from 1 April.
- (4) Begin the process to recruit to private and public sector members of the Business Board from April.
- (5) Appoint a private sector chair of the new Business Board by end June 2018
- (6) To have a fully constituted Board by September 2018.
- (7) By September 2018 to have contributed to the development of, and be the custodian of the Local Industrial Strategy.

Key milestones of the Shadow Board

To decide the membership, terms of reference and procedure rules of the Shadow Board.

To appoint interim private and public sector members to the Shadow Board

To decide consultation arrangements for establishing a new Business Board, to include those Leaders who are not members of the Combined Authority

Business Board

By the first meeting of the new Business Board in April to consider and make recommendations to BEIS, the Combined Authority and Councils (not on the CA Board) on the following:

- **Structure and Name**

A proposed legal structure for the new Board and the name of the new body.

Appendix 5 – Business Board

- **Membership**

The private and public sector membership for the new Board that

- (a) Complies with the requirements of the Assurance Framework;
- (b) Takes account of the geographical spread of the Business Board;
- (c) The process and timetable for appointing private sector representatives;
- (d) The process and timetable for appointing public sector representatives;
- (e) Arrangements for substitutions for public sector members;
- (f) Job Descriptions and advertising arrangements for membership;
- (g) The terms of office, code of conduct and declarations of interest arrangements;
- (h) The appointment of the Chair and Vice Chair of the Board;
- (i) Allowances/expenses for private sector members.

- **Constitution**

The overall purpose and terms of reference of the Business Board and reporting arrangements.

The timetable and frequency of meetings.

Quorum of new Board.

Voting arrangements.

Any sub committees of the new Business Board.

By the end of June:

- **Appointments**

To appoint all private and public sector Board members.

To appoint the private sector Chair of the Board.

To fully implement the Business Board timetable.

- **Overview and Scrutiny arrangements**

The overview and scrutiny arrangements including the involvement of those authorities outside the Combined Authority area.

Appendix 5 – Business Board

- **Governance**

The representation on the Combined Authority of those councils as Associate members of the Combined Authority.

By the end of September:

- **Policy**

To understand the policy framework of the Combined Authority and the new Board.

To have developed, in partnership with the Combined Authority, the Local Industrial Strategy and to act as custodians for the Strategy.

- **Work programme**

To operate as a fully constituted Board with an agreed work programme.

To operate in accordance with the Assurance Framework.

Appendix 6 - The Statutory Framework

1. Introduction

- 1.1. This appendix provides a summary of the statutory framework for the Cambridge and Peterborough Combined Authority.

2. Local Democracy, Economic Development and Construction Act 2009 (“the 2009 Act”)

- 2.1. The [2009 Act](#) empowers the Secretary of State, by order, to establish as a body corporate a Combined Authority for an area.

3. The Cities and Local Government Devolution Act 2016 (“the 2016 Act”)

- 3.1. The [2016 Act](#) introduced powers to provide for the election of Mayors for Combined Authority areas. The Mayor may arrange for a Deputy Mayor or any other Member or Officer of the Combined Authority to exercise a function of the Mayor. It allows a Mayoral Combined Authority to set a precept for funding Mayoral functions. It also enables combined authorities to exercise functions other than economic development, regeneration and transport and to set a levy.

4. The Cambridgeshire and Peterborough Combined Authority Order 2017 (“the 2017 Order”)

- 4.1. The [2017 Order](#) established the Mayoral Combined Authority on 2 March 2017. (See Appendix 1)
- 4.2. The [2016 Act](#) introduced powers for the Secretary of State, by Order, to make provision for a function of a public authority that is exercisable in relation to a Combined Authority’s area to be a function of the Combined Authority; and for any function of a Mayoral Combined Authority to be a function exercisable only by the Mayor subject to specified conditions or limitations ([107D](#)).
- 4.3. **Highways Functions**
- 4.4. The [2017 Order](#) delegated the following functions to the Combined Authority and are exercisable concurrently with Cambridgeshire County Council and Peterborough City Council (known as upper tier authorities):

Appendix 6 – The Statutory Framework

- 4.4.1. Powers to enter into agreements with the Minister or strategic highways companies relating to the exercise of functions with respect to trunk roads etc.) under section 6 of the Highways Act 1980;
- 4.4.2. Certain other functions of the upper tier authorities as local highway authorities under the Highways Act 1980 as set out in the 2017 Order.

4.5. Local Transport Functions transferred to the Combined Authority

- 4.5.1. The following functions are exercisable by the Combined Authority instead of by Cambridgeshire County Council and Peterborough City Council;
 - (a) Local Passenger Transport Services under Part 4 and 5 (financial Provisions) of the Transport Act 1985
 - (b) Local transport under Part 2 of the Transport Act 2000.
- 4.5.2. These powers and duties are set out in **Annex 1** which can be summarised as:
 - (a) Duty to produce a Local Transport Plan;
 - (b) Production of a Bus Strategy;
 - (c) Rights to franchise local bus services within its area, subject to the completion of the process set out in the Bus Services Act 2017;
 - (d) Powers to enter into quality bus partnerships and enhanced partnerships;
 - (e) Responsibility for the provision of bus information and the production of a bus information strategy;
 - (f) Role of Travel Concession Authority;
 - (g) Financial powers to enable the funding of community transport;
 - (h) Powers to support bus services.

Appendix 6 – The Statutory Framework

4.5.3. Transport powers were transferred to the Combined Authority, while highway authority powers under the Highway Act 1980 remain with Cambridgeshire County Council and Peterborough City Council.

4.6. Power of General Competence

4.6.1. The [2017 Order](#) conferred on the Combined Authority and the Mayor, the General Power of Competence under Section 1 of the Localism Act 2011.

4.7. Economic Development and Regeneration Functions

4.7.1. Concurrently with the Constituent Councils, the Combined Authority has:

- (a) the power under section 144 of the Local Government Act 1972 (the power to encourage visitors and provide conference and other facilities);
- (b) the duties and powers under the Education Act 1996 related to the provision of education and training for persons over compulsory school age.

4.8. Incidental powers

4.8.1. The following incidental provisions are to have the effect as if the Combined Authority were a local authority for the purposes of these provisions:

- (a) section 113 of the Local Government Act 1972(b) (power to place staff at the disposal of other local authorities);
- (b) Section 142(2) of the Local Government Act 1972 (the power to arrange for publication of information etc. relating to the functions of the authority);
- (c) Section 222 of the Local Government Act 1972 (the power to instigate and defend legal proceedings);
- (d) the power to exercise related to research and collection of information under section 88 of the Local Government Act 1985.

Appendix 6 – The Statutory Framework

4.9. Elected Mayor

- 4.9.1. The Order created the position of Mayor for the Combined Authority area. It provides for the first election for the return of a Mayor for the area to take place on 4th May 2017, and for subsequent elections to take place on the ordinary day of election in 2020 and in every fourth year after that, on the same day as the ordinary day of election.
- 4.9.2. The 2016 Act also introduced powers for the Secretary of State, by Order, for any function of a Mayoral Combined Authority to be a function exercisable only by the Mayor subject to specified conditions or limitations.
- 4.9.3. The 2017 Order makes provision for the Mayor to exercise the power to pay grants to Cambridgeshire County Council and Peterborough City Council towards expenditure incurred in relation to the exercise of its highways functions under S31 Local Government Act 2003.
- 4.9.4. The Mayor also has the General Power of Competence.
- 4.9.5. The Mayoral functions can be funded by precept under s 40 of the Local Government Finance Act 1992 (by way of budgetary approval) if they are not funded from other sources.
- 4.9.6. It makes provision to pay an allowance to the Mayor and for an independent remuneration panel to be established by one or more of the constituent councils under regulation 20 of the Local Authorities (Members' Allowances) (England) Regulations 2003. The allowance paid must not exceed the amount specified in the recommendation made by the independent remuneration panel.
- 4.9.7. The order also states that the Mayor (or Deputy Mayor in his absence) must vote with the majority of Combined Authority Members if the vote is to be valid.
- 4.9.8. It also provides for rules for voting on specified matters, for example to reject the Mayor's budget or strategies or voting requirements for the transport plan.

5. Local Government Legislation

- 5.1. The Combined Authority has such other powers and duties as are conferred on a Combined Authority by any legislation.

Appendix 6 – The Statutory Framework

Such powers include:

Power	Legislation
The duty to appoint a head of paid service, a Monitoring Officer and an Officer with responsibility for the administration of Combined Authority's financial affairs. These Officers will be appointed in accordance with the Combined Authority's Employment Rules set out in the Constitution.	<p>Section 4 of the Local Government and Housing Act 1989</p> <p>Section 5 of the Local Government & Housing Act 1989, as amended by schedule 5, paragraph 24 of the Local Government Act 2000.</p> <p>S.151 of the Local Government Act 1972 <u>Section 73 of the Local Government Act 1985</u></p>
The power to borrow money for a purpose relevant to its transport functions only;	7 S111 & S146A Local Government Act 1972
The power to appoint staff and to enter into agreements with other local authorities for the secondment of staff. Staff will be appointed in accordance with the Employment Rules set out in the Constitution	S112 & S113 Local Government Act 1972
The power to acquire land by agreement or compulsorily for the purpose of any of its functions and to dispose of such land;	S120 (except 1b) , S 123, S128-S131 Local Government Act 1972
The power to accept of gifts of property for the purpose of discharging functions,	S139 (except 1b and 2) Local Government Act 1972
The power to pay subscriptions to the funds of local authority associations;	S143 Local Government Act 1972
The power to transfer securities on alternation of area	S146 Local Government Act 1972
The duty (without prejudice to any other obligation) to exercise its functions with due regard to the need to prevent crime and disorder, the misuse of drugs and alcohol or re-offending in its area;	S17(1) Crime and Disorder Act 1998

- 5.2. Under the Localism Act 2011 the Combined Authority must promote and maintain high standards of conduct and adopt a code of conduct for its Members.

Appendix 6 – The Statutory Framework

5.3. The Combined Authority is:

- 5.3.1. a local authority for the purpose of Section 101 of the Local Government Act 1972 (arrangements for the discharge of functions by local authorities), with the exception of general functions of the Mayor (Joint Committees);
- 5.3.2. a best value authority for the purpose of Section 1 of the Local Government Act 1999;
- 5.3.3. a public body for the purpose of the Freedom of Information Act 2000. (Schedule 1 Part 2 S19B) and shall be registered as both “data controller” and “data processor” as defined by the Data Protection Act 1998;
- 5.3.4. a local authority for the purposes of the Local Authorities (Goods and Services) Act 1970 (power to supply goods and materials and to provide administrative and technical services to other public bodies).
- 5.4. Under the Openness of Local Government Bodies Regulations 2014, the public may report and commentate on public meetings of the Combined Authority.
- 5.5. The Local Government Ombudsman has power to investigate complaints of maladministration against combined authorities under the Local Government Act 1974.
- 5.6. The Local Government Act 1986 provisions regarding the prohibition of political publicity (any material which, in whole or part, appears designed to affect public support for a political party) apply to combined authorities.

6. The Combined Authorities (Overview and Scrutiny Committees, Access to Information and Audit Committees Order 2017)

- 6.1. Schedule 5A of the 2009 Act (introduced by the 2016 Act) requires the Combined Authority to establish one or more Overview and Scrutiny Committees.
- 6.2. The Committee must have power to:
 - (a) Review or scrutinise decisions made or other action taken in connection with the discharge of any functions which are the responsibility of the Combined Authority, or with the discharge of any general functions by the Mayor;

Appendix 6 – The Statutory Framework

- (b) Make reports or recommendations to the Combined Authority or the Mayor with respect to the discharge of their functions; and to
 - (c) Make reports or recommendations to the Combined Authority or the Mayor on matters affecting the authority's area or inhabitants.
- 6.3. The power to review or scrutinise a decision made but not implemented includes:
 - (a) Power to direct that a decision is not implemented while it is under review or scrutiny by the Committee; and
 - (b) Power to recommend that the decision is reconsidered.
- 6.4. The 2009 Act provisions enable the Secretary of State, by Order, to make further provision about overview and scrutiny Committees of combined authorities.
- 6.5. The [Cambridgeshire and Peterborough Combined Authority Order 2017](#) provides for the establishment of an Overview and Scrutiny Committee, and includes provisions relating to its membership and Chair.
- 6.6. The Chair must be an appropriate person. In relation to a Mayoral Combined Authority, this means a person who is a Member of a Constituent Authority, but who is not a member of a registered political party of which the Mayor is a member.
- 6.7. The Secretary of State has also made the [Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#).
- 6.8. This Order contains provisions regarding the membership of an Overview and Scrutiny Committee; the quorum for meetings; appointment of Members; appointment of Chair; reference of matters to the Committee; duty of the Combined Authority and Mayor to respond to the Committee; confidential and exempt information; the Scrutiny Officer; rights of access to documents for Members of the Committee; key decisions; general exception; and cases of special urgency.
- 6.9. Where the Chair of an Overview and Scrutiny Committee is to be an appropriate person, and the Mayor is not a member of a registered political party, a person may not be appointed as Chair of the Committee if that person is:

Appendix 6 – The Statutory Framework

- (a) A member of the registered political party which has most representatives among the Members of the Constituent Authorities on the Combined Authority, or
 - (b) Where two or more parties have the same number of representatives, a member of any of those parties.
- 6.10. The 2009 Act provisions also require Combined Authorities to establish an audit Committee to review and scrutinise the Authority's financial affairs and to review and assess its risk management, internal control and corporate governance arrangements.
- 6.11. An audit Committee must include at least one Member who is an independent person.
- 6.12. The [Combined Authorities \(Overview and Scrutiny Committees, Access to Information and Audit Committees\) Order 2017](#) defines an "independent person", and provides that such a person may not be appointed unless the vacancy was advertised in such manner as the Combined Authority considers it likely to bring it to the attention of the public.
- 6.13. The quorum for meetings of audit Committees must be no fewer than two-thirds of the total number of Members of the Committee.

7. The Combined Authorities (Mayors) (Filling of Vacancies) Order 2017

- 7.1. The [Order](#) provides for the filling of vacancies in the office of Mayor arising due to the death or resignation of the Mayor; the Mayor's election being declared void or the office being declared vacant.
- 7.2. There are provisions regarding the date on which a vacancy is taken to have occurred; the giving of notice of a vacancy; the timescale for by-elections and the term of office of the person filling a vacancy.

8. The Combined Authorities (Mayoral Elections) Order 2017

- 8.1. The [Order](#) makes provision for the conduct of elections for Combined Authority Mayors.
- 8.2. In particular, there are provisions requiring each candidate's nomination paper to be prescribed by at least 100 electors (with at least 10 electors from each

Appendix 6 – The Statutory Framework

constituent council area) and for a deposit of £5,000 to be paid. If there are three or more candidates, the elected Mayor will be returned by the supplementary vote system.

- 8.3. The maximum amount a candidate may spend in election expenses is £2,362 multiplied by the total number of constituent councils, together with an additional 5.9p for every entry in the register of electors for the Combined Authority area.
- 8.4. Candidates who wish to have an election address included in an election booklet prepared and distributed by the Combined Authority Returning Officer will be required to pay a contribution of such reasonable amount as the Returning Officer may determine towards the expenses incurred by the Returning Officer in printing the booklet. Copies of the booklet will be delivered free of charge by the Returning Officer to each elector in the Combined Authority area.

9. The ~~Draft~~ Combined Authorities (Finance) Order 2017

- 9.1. The Order includes provisions relating to Mayoral Combined Authority precepts; a Mayor's proposed budget and the procedure for the Combined Authority to consider and approve the budget; the Mayor's general fund and transitional provisions for the financial year 2017/2018.

10. The Bus Services Act 2017

- 10.1. The Bus Services Act 2017 presents local authorities with new powers to bring about change, and unlock the potential for the bus industry to achieve more for passengers than it does today.
- 10.2. New enhanced partnership and advanced quality partnership powers provide the framework for authorities to work side by side with operators to set a shared vision for bus services in their area. Regulations made under the new open data provisions and new ticketing powers should make it easier for passengers to use buses, move between different modes of transport and access timetables, fares and routes.
- 10.3. New franchising provisions will provide Mayors of combined authorities with equivalent powers to those available in London.

11. The Combined Authorities (Borrowing) Regulations 2018

Appendix 6 – The Statutory Framework

11.1. These Regulations provide for mayoral combined authorities to borrow money for a purpose relevant to all of their functions (other than transport functions)

12. The Transport Levying Bodies (Amendment) Regulations 2018

12.1. These regulations amend the principal regulations (the Transport Levying Bodies Regulations 1992) to include the Combined Authority in the list of authorities who are levying bodies for the purposes of non-mayoral transport functions. These Regulations confer the power to levy the upper tier authorities Cambridgeshire County Council and Peterborough City Council to deliver transport functions. The purpose of the SI is to split the levy between the two upper tier councils in proportions appropriate to the size of their budget. The regulations enable revenue streams to be pooled making it a more attractive borrowing fund.

13. The Cambridgeshire and Peterborough Combined Authority (Business Rate Supplements Functions) Order 2018

13.1. With this Order the Mayor has the power, subject to meeting conditions set out in the Order, to levy a business rate supplement for a project that will promote economic development in the area in accordance with Sections 105B(1) and 107D(9) of the Local Democracy, Economic Development and Construction Act 2009.. As the Order provides, such a supplement can be applied only to the business rate bills of businesses with rateable values of at least £50,000, and the supplement cannot exceed two pence in the point. Any supplement must be approved by a ballot of the business ratepayers concerned, achieving a majority both of business rate payers who voted in terms of the number of ratepayers and in the aggregate value of their properties.

14. The Cambridgeshire and Peterborough Combined Authority (Adult Education Functions) Order 2018

14.1. The Order sets out the details of the AEB functions that are transferred to the Combined Authority with the agreement to devolve the budget. With the exception of apprenticeships, adult offender learning or provision for people aged 16 -18, the following functions contained in the Apprenticeships, Skills, Children and Learning Act (ASCL) 2009 are transferred to the Combined Authority in relation to constituent member areas:

- (a) S86 – Duty to provide appropriate Further Education to learners aged 19 and over (not to include apprenticeships, prisoner education or traineeships).

Appendix 6 – The Statutory Framework

- (b) S87 – Duty to provide appropriate Further Education to learners aged 19 and over, who do not have certain specified qualifications
- (c) S88 – Duty to ensure that provision is free for relevant learners who do not have certain specified qualifications

14.2. The following powers will be exercised concurrently with the Secretary of State:

- (a) S90 – Duty to encourage learner and employer participation in education and training of people aged 19 and over (except those in adult detention)
- (b) S115 – Duty to consider/have regard to the needs of learners aged 19 and over, with Special Education Needs (other than those aged 19-25 with Educational Health Care plans, who will remain the responsibility of the Local Authorities as they are treated as 16-18 year old learners).
- (c) S122 – Power to exchange information with providers to enable provision of Further Education to learners aged 19 and over.

15. Automated and Electric Vehicles Act 2018

- 15.1. The Act includes a power for the Mayor to designate places where large fuel retailers and service area operators must provide public charging points. This is limited to locations within the defined key route networks.
- 15.2. The Government's intention is that these powers could only be exercised once the definitions of large fuel retailers and the factors that would determine the suitability of a particular location have been adopted in regulations.

Appendix 6 – The Statutory Framework

Annex 1

Transport Act 2000

Legislation	Duty / Power
Transport Act 2000 Section 108 (As amended by Local Transport Act 2008)	To prepare a Local Transport Plan (LTP) and in developing this and carrying out functions to taken into account Government Policies and have regard to any guidance issued by the Secretary of State relating to climate change and the protection or improvement of the environment.
Transport Act 2000 Section 109	To keep the LTP under review, replacing the LTP every 5 years and to consult when preparing and reviewing the LPT.
Transport Act 2000 Section 112 (As amended by 2008 Act)	To have regards to any guidance issued by the Secretary of State and the needs of elderly or disabled persons when developing the LTP.
Transport Act 2000 Section 113A	Power of an LTA or two or more LTA's acting jointly to make an advanced quality partnership scheme.
Transport Act 2000 Section 114 (As amended by 2008 Act)	To have regard, in considering whether to make a Quality Partnership Scheme (QPS), to the desirability of making a scheme jointly with another authority and to cooperate with other authorities when carrying out functions relating to QPS.
Transport Act 2000 Section 115 (As amended by 2008 Act)	To give notice of proposal to make a QPS and to consult with specified bodies
Transport Act 2000 Section 116 (As amended by 2008 Act)	To give notice of the scheme not later than 14 days after it is made
Transport Act 2000 Section 117 (As amended by 2008 Act)	To give notice and consult specified bodies before deciding to postpone the QPS for a period not exceeding 12 months
Transport Act 2000 Section 118 (As amended by 2008 Act)	To provide the specified QPS facilities not later than the date specified and throughout the operation of the scheme



Appendix 6 – The Statutory Framework

Transport Act 2000 Section 120	Power to vary or revoke QPS
Transport Act 2000 Section 123	To have regard to any guidance issued by the appropriate national authority concerning the carrying out of functions in relation to the QPS
Transport Act 2000 Section 123A	The power of a franchising authority, or two or more franchising authorities acting jointly, to make a franchising scheme covering the whole or any part of their area.
Transport Act 2000 Section 124 (As amended by 2008 Act)	To have regard, in considering whether to make Quality Contract Schemes (QCS), to the desirability of making a scheme jointly with another authority, to co-operate with the other authorities and to keep under review the extent to which their quality contracts are complied with.
Transport Act 2000 Section 134C	Power of a LTA (or two or more acting jointly) to make an advanced ticketing scheme (ATS) if they consider that the proposed scheme— (a) would be in the interests of the public, and (b) would contribute to the implementation of their local transport policies.
Transport Act 2000 Section 135 (As amended by 2008 Act)	Duty regarding Ticketing Schemes (TS) to co-operate with other local transport authorities and in considering whether to make a TS to have regard to the desirability of making a scheme jointly with another authority
Transport Act 2000 Section 136	To give notice of a proposal to make a TS and to consult with specified bodies
Transport Act 2000 Section 137	To make the TS and give notice of it within 14 days after it is made
Transport Act 2000 Section 139 (As amended by 2008 Act)	To consult on and determine what local bus information should be made available to the public and the way in which it should be made available
Transport Act 2000 Section 140	To make information available where satisfactory arrangements for information provision cannot be made with the operators
Transport Act 2000 Section 141	Duty regarding ss 139 and 140 to have regard to economy, efficiency and effectiveness, to the desirability of carrying out those functions jointly with another authority and to co-operate with other authorities
Transport Act 2000 Section 143	Power to obtain information relating to specified matters from operators of local services
Transport Act 2000 Section 143A	Power of a franchising authority to obtain information from operators of local services
Transport Act 2000 Section 145A (As substituted by	To issue permits indicating entitlement to travel concessions to elderly or disabled residents who apply for one

Appendix 6 – The Statutory Framework

Concessionary Bus Travel Act 2007)	(England National Travel Concessionary Scheme)
Transport Act 2000 Section 149 (As substituted by 2007 Act)	To reimburse the operator for providing travel concessions (ENTCS)
Transport Act 2000 Section 150	To publish the proposed arrangements for reimbursing operators (ENTCS)

Transport Act 1985

Transport Act 1985 Section 63(1)	Duty to secure the provision of such passenger transport services as the Council considers appropriate to meet any public transport requirements which would not otherwise be met
Transport Act 1985 Section 63(5) (As inserted by 2008 Act)	Power to enter into an agreement providing for service subsidies for the purpose of securing any service
Transport Act 1985 Section 63(6)	Power to take any measures that appear to be appropriate for the purpose of or in connection with promoting the availability and operation of public passenger transport services other than subsidised services
Transport Act 1985 Section 63(7) (As amended by 2008 Act)	In exercising their power to promote availability of public passenger transport services, to have regard to a combination of economy, efficiency and effectiveness
Transport Act 1985 Section 63(8) (As amended by 2008 Act)	In exercising their power to promote availability of public passenger transport services, to have regard to the needs of elderly or disabled persons
Transport Act 1985 Section 64	Duty to consult when formulating policies for the formulation of policies, and to publish those policies
Transport Act 1985 Section 81 (As amended by 2008 Act)	Power to provide, maintain and operate bus stations
Transport Act 1985 Section 82 (As amended by 2000 Act)	Duty not to discriminate when exercising powers in relation to provision or operation of bus stations in relation to charges to be made for the use of any accommodation at a bus station or of any associated facilities



Appendix 6 – The Statutory Framework

Transport Act 1985 Section 88	Duty of all authorities entering into agreements providing for service subsidies in respect of education and social services functions to cooperate with one another to secure best value for money for the ratepayers of their areas
Transport Act 1985 Section 89	Duty to invite tenders for subsidised services
Transport Act 1985 Section 93	Power to establish a travel concession scheme for blind and disabled persons, children, persons over 60 and others specified in Regulations
Transport Act 1985 Section 92	Duty to have regard to the interests of the public and of persons providing public passenger transport services in their area when exercising functions in relation to agreements providing for service subsidies
Transport Act 1985 Section 95 (As amended by 2008 Act)	To publish particulars of the concession scheme and reimbursement arrangements for service operators
Transport Act 1985 Section 96 (As amended by 2008 Act)	To admit eligible service operators to participate in travel concession schemes
Transport Act 1985 Section 97 (As amended by 2008 Act)	To impose obligation to provide travel concessions on any operator (participation notice)
Transport Act 1985 Section 98 (As amended by 2007 Act)	Further provision in relation to participation notices
Transport Act 1985 Section 99	Power to release an operator from compulsory participation in travel concession scheme
Transport Act 1985 Section 101	Power to enforce participation in travel concession schemes
Transport Act 1985 Section 103 (As amended by 2008 Act)	Subsidies for travel concessions
Transport Act 1985 Section 105 (As amended by 2000 Act and 2007 Act)	Power to provide travel concessions on services provided by local authorities

Appendix 6 – The Statutory Framework

Transport Act 1985 Section 106 (As amended by 2008 Act and Local Democracy, Economic Development and Construction Act 2009)	Power to make grants to assist the provision of transport facilities for the disabled or to support revenue expenditure incurred in providing services other than those for which a PSV licence is required
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Appendix 7 – Glossary

Appendix 7 - Glossary

Assurance framework	A document written by the combined authority which explains how decisions will be taken to invest in and monitor the progress of projects, to make sure that any such investments present good value for money for taxpayers.
Authorised Signatory	Means the Chief Executive, Chief Finance Officer, and Monitoring Officer (or delegated Officers in Legal Services).
Best Value Duty	This is the legal duty for various types of organisation, including councils, to aim to make continuous improvement when making decisions, delivering services and spending money; and to take into account economy, efficiency and effectiveness. The duty is set out at Section 3 of the Local Government Act 1999.
Business Case	A document that sets out the rational for undertaking a project and its costs, risks and benefits.
Combined Authority	A corporate body formed of two or more local government areas (county councils or district councils in England) which may be given powers to exercise specified functions of both local authorities and public authorities.
Constitution	<p>A set of principles and rules by which an organisation, such as a combined authority, is governed.</p> <p>The Constitution;</p> <ul style="list-style-type: none"> - allocates powers and responsibility within the Combined Authority; - sets out delegations for its Executive including the delegation to Officers; -sets out the rules of procedures, codes and protocols.
Constituent Member/Constituent Council	A constituent council, or a constituent member of a particular combined authority, is a local authority whose area is within the area of that combined authority. A combined authority's area is defined by its constituent council members.
Devolution	When local areas take on new powers, budgets and responsibilities from government
Devolution Deal	An agreement between government and local areas in England to devolve new powers, budgets and responsibilities.

Appendix 7 – Glossary

Delegated Authority	The process under the Constitution which sets out what Senior Officers of the Combined Authority are entitled to do in the Combined Authority's name e.g. to enter contracts.
E-Sourcing	The researching and gathering of product or service information by electronic means, mainly by internet or email use.
EU threshold	The financial limit above which all tendering must follow a statutory procedure governed by EU directives. It applies to all public works contracts, public supply contracts and public service contracts which have a value excluding VAT estimated to be no less than the pre-established thresholds. The thresholds are recalculated by the European Commission every two years. See the Quick Reference Guide for the threshold amounts for the works, goods and services.
Financial Regulations	The regulations outlining the Officer's responsibilities relating to financial matters.
Forward Plan	A forward plan is a list of published forthcoming key decisions to be taken during the following three months.
Framework Agreement	A framework is an agreement with suppliers to establish terms governing contracts that may be awarded during the life of the agreement. In other words, it is a general term for agreements that set out terms and conditions for making specific purchases (call-offs).
Fraud and Corruption Response Plan	Procedures put in place by the Chief Finance Officer for responding to any incidents of suspected fraud or corruption.
Gateway procedure	Gateway Review process is a series of independent peer reviews at key stages of a programme or project lifecycle, aimed at ensuring it has achieved the expected economic benefits and impact and successful delivery. It is a key assurance mechanism designed to provide an objective view that a project or programme is consistent with the agreed initial aims and objectives, is on target to deliver on time and to budget
Key Decision	Any spend over £500k will be a key decision and the procedures for a key decision must be followed
Local Enterprise Partnership	There are 38 Local Enterprise Partnerships (LEPs) in England which bring together business and local council leaders to shape local decisions and prioritise investment in order to drive local growth. The close involvement of LEPs is very important to devolution deals and combined authorities.

Appendix 7 – Glossary

Monitoring and Evaluation (M&E) framework	A document or table that describes the indicators that are used to measure whether the program is a success.
OJEU	Official Journal of the European Union. Contracts that are above the EU threshold are required to be advertised by placing a notice in the journal.
Procurement Strategy	A strategy document setting out the Combined Authority's approach to procurement and priorities for the next few years.
Scrutiny/Scrutinise	Scrutiny is the process of taking a close look at the decisions of an organisation (such as a local authority). All combined authorities must establish at least one overview and scrutiny committee and an audit committee to scrutinise the decisions of the Mayor and combined authority, to help make sure that the decisions being made are well thought-through and legal.
Single Pot of Investment	An agreement in a devolution deal which brings together different sources of funding into one consolidated fund held by the combined authority.
State aid	State aid is a European Commission term which refers to forms of assistance from a public body or publicly-funded body, given to undertakings engaged in economic commercial activity on a selective basis, with the potential to distort competition and affect trade between member states of the European Union.
Order	A type of 'Secondary Legislation'. Also referred to as a 'Statutory Instrument'.

Item 1.7 - Appendix 2

Portfolio Responsibilities and Committee Membership

Portfolio Responsibilities

Portfolio Responsibilities	Board Member
Mayor, Chair of the Combined Authority Portfolio Holder for Policy Portfolio Holder for Governance	James Palmer, Mayor
Portfolio Holder for Economic Growth	Cllr Charles Roberts, Deputy Mayor (Statutory)
Portfolio Holder for Spatial Planning Chair of Land Commission	Cllr Lewis Herbert
Portfolio Holder for Skills Chair of Skills Committee	Cllr John Holdich, Deputy Mayor (Constitutional)
Portfolio Holder for Investment & Finance	Cllr Steve Count
Portfolio Holder for Housing Chair of Housing and Communities Committee	Cllr Charles Roberts, Deputy Mayor (Statutory)
Portfolio Holder for Transport Chair of Transport Committee	James Palmer, Mayor

Committee Allocation

Transport Committee (5 seats)

		Portfolio Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Transport	James Palmer, Mayor	Cllr Charles Roberts
2	Member	Member for Cambridgeshire County Council	Cllr Ian Bates	Cllr Roger Hickford
3	Member	Member for Peterborough City Council	Cllr Peter Hiller	Cllr John Holdich
4	Member	Member for Cambridge City Council	Cllr Lewis Herbert	Cllr Aiden Van de Weyer
5	Member	Member for Fenland District Council	Cllr Chris Seaton	Cllr David Oliver

Skills Committee (4 seats)

		Portfolio Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Skills	Cllr John Holdich	Cllr Lynne Ayres
2	Member	Member for Huntingdonshire District Council	Cllr Graham Bull	Cllr Ryan Fuller
3	Member	Member of East Cambridgeshire District Council	Cllr Charles Roberts	Cllr Anna Bailey
4	Member	Member for South Cambs District Council	Cllr Eileen Wilson	Cllr Aidan Van de Weyer

Housing and Communities Committee (4 seats)

		Portfolio Responsibilities/Member	Board Member	Substitute
1	Chair	Portfolio Holder for Housing	Cllr Charles Roberts	Cllr Anna Bailey
2	Member	Member for Huntingdonshire District Council	Cllr Ryan Fuller	Cllr Graham Bull
3	Member	Member of Fenland District Council	Cllr Chris Seaton	Cllr David Oliver
4	Member	Member for South Cambs District Council	Cllr Bridget Smith	Cllr Richard Johnson

Notes (as agreed at Informal Cabinet on 11 July 2018)

- (a) Portfolio holder should also be Chair
- (b) Vice Chair to be agreed by committee as and when required
- (c) 3 seats to go to either Member for Cambridge City council or South Cambs District Council



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.8
26 SEPTEMBER 2018	PUBLIC REPORT

AUDIT AND GOVERNANCE COMMITTEE – ANNUAL REPORT AND CONSTITUTION REVIEW

1.0 PURPOSE

- 1.1. It is recommended by relevant professional bodies that Audit and Governance Committees should produce an annual report which details the work of the Committee for the past municipal year.
- 1.2. The Audit and Governance Committee reviewed and approved their annual report for the municipal year 2017/18 attached at Appendix 1 at their July meeting and submitted it to the Combined Authority Board for noting as part of the Committee's annual update. The annual report demonstrates the work carried out to improve the governance arrangements across the Combined Authority.
- 1.3. The Audit and Governance Committee also reviewed its terms of reference within the Combined Authority constitution in the interests of good governance and recommends that the terms of reference are updated to include the committee's role in relation to the Business Board.

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Audit and Governance Committee
Lead Officer:	Kim Sawyer, Monitoring Officer and Legal Counsel
Forward Plan Ref: N/A	Key Decision: No
The Combined Authority Board is recommended to:	Voting arrangements Simple majority of all Members

<p>(a) Note the Audit and Governance Committee Annual Report and provide any feedback to the Committee.</p> <p>(b) Request that the Chief Finance Officer for the Business Board update the Audit and Governance Committee's Terms of Reference to reflect their role in regard to the Business Board for approval by a future meeting of the Board upon the recommendations of the committee.</p>	<p>At least two-thirds of all Members</p>
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2.0 BACKGROUND

2.1. The Audit and Governance Committee has been in operation since the Combined Authority Board approved the membership and appointment of the Independent Person in May 2017. The Committee has a wide-ranging remit that underpins the Combined Authority's governance and financial processes by providing independent challenge and assurance of the adequacy of risk management, internal control including internal audit, anti-fraud and the financial reporting framework. Its statutory powers and terms of reference are set out in Appendix 1.

Audit and Governance Annual Report

2.2. The Audit and Governance Annual report at Appendix 2 shows:

- The background to the committee, its roles, responsibilities and membership;
- an overview and coverage of its remit including Internal Audit, Accounts and Financial Management, External Audit, Risk Management, Control Assurance, Corporate Governance, and Fraud and Irregularities;
- training provided to ensure that suitable challenge and scrutiny is adopted;
- records of complaints, Freedom of Information requests and attendance levels for the committee.

Audit and Governance Constitution Review

2.3. The Audit and Governance Committee's rules for its governance arrangements are set out in the Combined Authority constitution (Appendix 1);

2.4. The committee reviewed its terms of reference at their July meeting and requested that the Combined Authority Board agree that the Committee's role in relation to the new Business Board be added to their terms of reference. This will require a further report to the Audit and Governance Committee and to the Board for final approval.

3.0 FINANCIAL IMPLICATIONS

3.1. There are no financial implications.

4.0 LEGAL IMPLICATIONS

4.1. There are no legal implications.

5.0 APPENDICES

5.1. Appendix 1 – Terms of Reference

5.2. Appendix 2 – Audit and Governance Annual Report

<u>Source Documents</u>	<u>Location</u>
Audit and Governance Committee – July Minutes	http://cambridgeshirepeterborough-ca.gov.uk/meetings/audit-and-governance-committee-2/?date=2018-07-20

Item 1.8 - Appendix 1

Chapter 14 – Audit and Governance Committee

Part 1 – Functions

1. Governance

- 1.1. The Combined Authority has appointed an Audit and Governance Committee. The committee is a statutory, non-executive committee.

1.1.

2. Functions

- 2.1. The Audit and Governance Committee shall have the following statutory powers to:
- (a) review and scrutinise the authority's financial affairs;
 - (b) review and assess the authority's risk management, internal control and corporate governance arrangements;
 - (c) review and assess the economy, efficiency and effectiveness with which resources have been used in discharging the authority's functions; and
 - (d) make reports and recommendations to the Combined Authority in relation to reviews conducted under paragraphs (a) (b) and (c);
 - (e) Implement the obligation to ensure high standards of conduct amongst Members.

3. Terms of Reference

- 3.1. The Audit and Governance Committee shall:

Accounts

- 3.2. Approve the annual statement of accounts;

Governance

- 3.3. Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;
- 3.4. Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;

- 3.5. Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;
- 3.6. Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;
- 3.7. Monitor the anti-fraud and whistle blowing policies and the complaint process;

Internal Audit

- 3.8. Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
- 3.9. Review internal audit requirements undertaken by the Combined Authority;
- 3.10. Approve the internal audit plan;
- 3.11. Consider reports and assurances from the Chief Finance Officer in relation to:
 - (a) Internal Audit performance;
 - (b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;
 - (c) Risk management and assurance mapping arrangement;
 - (d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable.

External Audit

- 3.12. Review the annual accounts;
- 3.13. Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Financial Reporting

- 3.14. Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
- 3.15. Consider any issues arising from External Auditor's audit of the account;

- 3.16. Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
- 3.17. Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Code of Conduct

- 3.18. Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;
- 3.19. Assisting the Members and Co-opted Members to observe the Code of Conduct;
- 3.20. Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;
- 3.21. Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

General

- 3.22. Report and make recommendations to the Combined Authority in relation to the above.

4. Membership

- 4.1. The Combined Authority Board shall decide the size and membership of the Audit and Governance Committee and shall include one Independent Person.
- 4.2. In appointing Members to the Committee, the Combined Authority Board must ensure that the Members of the Committee taken as a whole reflect so far as reasonably practicable the balance of political parties for the time being prevailing among Members of the Constituent Councils when taken together.
- 4.3. The Committee may not include any Officer of the Combined Authority or of a Constituent Council.
- 4.4. The Combined Authority Board shall appoint at least one Substitute Member from each Constituent Council.
- 4.5. The Monitoring Officer has delegated authority to accept changes to membership of committees notified by constituent councils during the municipal year to ensure there is a full complement of members or substitute members at committee meetings.

5. Chair and Vice-Chair

- 5.1. The Combined Authority Board shall appoint the Chair and Vice-Chair.

6. Sub-Committees

- 6.1. The Committee may appoint one or more sub-committees and arrange for the discharge of any of its functions by any such sub-committee.
- 6.2. The Committee shall appoint hearings panel to hear any complaints where the Member is alleged to have breached to Code of Conduct.

7. Hearing Panel (Sub-Committee to the Audit and Governance Committee)

- 7.1. The Hearings Panel is a Sub-Committee of the Audit and Governance Committee.
- 7.2. The Panel has the following functions:
 - 7.2.1. When matters are referred by the Monitoring Officer granting dispensations to Members and Co-opted Members allowing them to:
 - (a) participate in the debate; and/or
 - (b) (vote on any matter in which they have a disclosable pecuniary interest;
 - 7.2.2. On matters being referred by the Monitoring Officer deciding whether complaints concerning Members should be investigated;
 - 7.2.3. Hearing complaints that have been referred to them by the Monitoring Officer pursuant to the Complaints procedure;
 - 7.2.4. The agreement of relevant procedures for the undertaking of its functions, when appropriate to be included within the Constitution.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

**ANNUAL REPORT FROM
THE CHAIRMAN OF AUDIT & GOVERNANCE
COMMITTEE FOR THE COMBINED AUTHORITY
OF CAMBRIDGESHIRE AND PETERBOROUGH
2017 / 2018**

AUDIT AND GOVERNANCE COMMITTEE: ANNUAL REPORT 2017 / 2018

INTRODUCTION

MEMBERSHIP AND MEETINGS

KEY ACTIVITIES AND TRAINING DURING THE MUNICIPAL YEAR

PLANS FOR 2018 / 2019

FOREWORD FROM THE CHAIRMAN OF THE AUDIT & GOVERNANCE COMMITTEE

I am pleased to provide the Audit and Governance Committee's (A&G) Committee Annual Report for the municipal year 2017 / 2018. The Board is requested to:

Note the work carried out by the Audit and Governance Committee in scrutinizing the governance arrangements across the Combined Authority.

Provide any feedback to the Committee.

The report describes the A&G Committee's contribution to the development of the Combined Authority's governance and control framework in this first year. Establishing the elements of good governance in a new organisation is a challenge, and takes time to mature. The A&G Committee has taken that into account in its work.

I would like to thank Committee Members and Officers for their support of the A&G Committee work during the year. Members have supported and challenged officers to help in the development of effective and transparent risk, internal control and governance processes.

INTRODUCTION

This is the A&G Committee's first annual report. It is produced in accordance with latest best practice¹.

The A&G Committee was established by the Combined Authority at its meeting in May 2017. The membership comprises 7 elected members representing each of the Combined Authority's constituent councils, together with an Independent Person. The Combined Authority Board agreed at its annual general meeting in May 2017 that the Independent Person should act as the A&G Committee's Chair.

The purpose of the A&G Committee is to provide: independent assurance of the adequacy of the risk management framework and the associated control environment; independent scrutiny of the authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risks and weaknesses; and to oversee the financial reporting process.

The key benefits of an Audit and Governance Committee can be seen as:

- Raising greater awareness of the need for internal control and the implementation of both internal and external audit recommendations;
- Increasing public confidence in the objectivity and fairness of financial and other reporting;
- Reinforcing the importance and independence of internal and external audit and similar review processes; and
- Providing additional assurance through a process of independent and objective review.

The A&G Committee's Terms of Reference are at **Annex A** of this report.

This report sets out the work undertaken by the A & G Committee for 2017 / 2018. The A&G Committee has seen good progress in all areas under its remit, whilst recognising that key elements such as the risk register are subject to ongoing development. The Treasury Management Strategy was scrutinised at three A&G Committee meetings, and the Committee welcomed the Combined Authority's initiation of an in-depth review of the strategy.

¹ Best practice as contained in the Chartered Institute of Public Finance and Accountancy (CIPFA) document "A Toolkit for Local Authority Audit Committees"

A&G Committee members have had the opportunity to attend the Ernst & Young training conferences offered to Audit Committee Members across the East of England region.

MEMBERSHIP AND MEETINGS

During 2017/2018, the Audit and Governance Committee met on the following dates:

- 26 June 2017
- 21 September 2017
- 18 December 2017
- 26 March 2018
- 22 May 2018 (informal meeting)

There is a cross representation of all parties in accordance with the make-up of the constituent councils across the Combined Authority area. The members for 2017 / 2018 were (excluding substitutes):

Table 1: Councillor Audit Committee Membership 2017 / 2018 as at 26 March 2018:

Conservative	Independent	Liberal Democrats	Labour
Cllr Chris Morris Cllr Anne Hay Cllr David Seaton Cllr Andrew Fraser	Cllr Barry Chapman	Cllr Nichola Harrison	Cllr Richard Robertson

Senior officers from the Combined Authority are also present at the A&G Committee meetings, including the Interim Chief Finance Officer, Legal Counsel and Monitoring Officer, Chief Executive Officer and Chief Internal Auditor. The Mayor for the Combined Authority attended one meeting to provide an update on Combined Authority activities. Dependent on the agenda, other officers attend as do the External Auditors, Ernst & Young. The A&G Committee was well supported by the Combined Authority's senior officers throughout the year.

KEY ACTIVITIES AND TRAINING DURING THE MUNICIPAL YEAR

Background

The Audit and Governance Committee's terms of reference cover 6 main areas:

- Annual Accounts
- Review Corporate Governance
- Internal Audit
- External Audit
- Financial Reporting
- Code of Conduct

The work of the A&G Committee to fulfil its terms of reference is summarised below.

Annual Accounts

3. Terms of Reference

3.2 Approve the annual statement of accounts.

Audit & Governance Committee Actions:

26 June 2017

- *Draft Statement of Accounts:* The Combined Authority is required to prepare a Statement of Accounts each financial year, and it must be prepared in accordance with statutory timelines and accounting practices. The purpose of the report was for members to review and comment on the draft Statement of Accounts prior to the Chief Finance Officer's certification by the 30 June 2017.

21 September 2017

- *Statement of Accounts:* The Committee received and approved the report from the Interim Chief Finance Officer which outlined the Statement of Accounts 2016/17 and the Annual Governance Statement 2016/17 including the appointment of Ernst & Young as external auditors for a five-year period.

22 May 2018 (Informal meeting)

- *Review of Draft Accounts:* The Committee met at an informal meeting to review the draft accounts from the Interim Chief Finance Officer.

Governance

Terms of Reference

- 3.3 Review corporate governance arrangements against the Code of Corporate Governance and the good governance framework;
- 3.4 Review the Annual Governance Statement prior to approval to ensure it properly reflects the risk environment and supporting assurances;
- 3.5 Annually review the assurance framework to ensure it adequately addresses risks and priorities including governance arrangements of significant partnerships;
- 3.6 Monitor the Authority's risk and performance management arrangements including reviewing the risk register, progress with mitigating actions and assurances;
- 3.7 Monitor the anti-fraud and whistle blowing policies and the complaint process;

Audit & Governance Committee Actions:

21 September 2017

- *Assurance Framework:* The Committee received a report which outlined the progress on the implementation of measures to ensure compliance with the Assurance and the Monitoring & Evaluation Frameworks.

18 December 2017

- *Complaints Procedure:* The Committee received a report on proposals to introduce a corporate complaints procedure for the combined authority, and recommended a complaints procedure to the Combined Authority Board.
- *FOI and Data Protection Policy:* The Committee received a report on proposals to introduce a freedom of information scheme, a publication scheme and a data protection policy. The Committee recommended these for approval by the Combined Authority Board.
- *Assurance Framework:* The Committee received and noted the progress on the review of the implementation of structures and systems for the procurement and project management of capital projects in accordance with the requirements of the Assurance and the Monitoring and Evaluation Frameworks.

26 March 2018

- *Risk Management Strategy & Corporate Risk Register:* The Committee received a report outlining the corporate risk strategy and the corporate risk register and recommended adoption of these by the Combined Authority Board.
- *Anti-Fraud, Bribery & Corruption Policy:* The Committee received a report which set out the Anti-fraud, Bribery and Corruption Policy and Strategy Statement and recommended adoption of these by the Combined Authority Board.
- *Code of Corporate Governance:* The Committee received and noted the Corporate Governance Code and Framework and recommended that the Combined Authority Board approve and adopt the Corporate Governance Code and Framework.
- *Whistleblowing Policy:* The Committee received the Combined Authority's Whistleblowing Policy and recommended the adoption of the whistleblowing and confidential reporting of complaints policy to the Combined Authority Board.

22 May 2018 (Informal meeting)

- *Governance Review:* At an informal meeting the committee members received an update from the Internal Auditor on the governance process for the Combined Authority.

Internal Audit

Terms of Reference

- 3.8 Provide assurances over the effectiveness of internal audit functions and assuring the internal control environments of key partners;
- 3.9 Review internal audit requirements undertaken by the Combined Authority;
- 3.10 Approve the internal audit plan;
- 3.11 Consider reports and assurances from the Chief Finance Officer in relation to:
 - (a) Internal Audit performance;
 - (b) Annual Assurance Opinion on the adequacy and effectiveness of the framework of governance, risk management and control;

- (c) Risk management and assurance mapping arrangement;
- (d) Progress to implement recommendations including concerns or where managers have accepted risks that the Authority may find unacceptable

Audit & Governance Committee Actions:

26 June 2017

- *Internal Audit Plan – Overview and Future Plans:* The Committee received and noted the development of the internal audit plan for 2017/18.

21 September 2017

- *Internal Audit: Corporate Governance Scoping Document:* The Committee received the scoping document for the Internal Audit review of the governance arrangements within the Combined Authority.

18 December 2017

- *Internal Audit Update:* The Committee received the report from the Chief Internal Auditor which outlined the ongoing review of the governance arrangements within the Combined Authority.

26 March 2018

- *Internal Audit Plan 2018/19:* The Committee received the report from the Internal Auditor which set out how Internal Audit will look to support the Committee and the resources available.
- *Internal Audit – Progress Report:* The Committee received the report from the Internal Auditor which provided assurance to the Audit and Governance Committee that activities undertaken across the Combined Authority were appropriately managed, monitored and delivered in accordance with set governance, controls and risk management frameworks.

External Audit

Terms of Reference

- 3.12 Review the annual accounts;
- 3.13 Consider the annual external audit of the Combined Authority's accounts, including the Annual Audit Letter and assessing the implications and monitoring managers' response to concerns;

Audit & Governance Committee Actions:

26 June 2017

- *External Audit Plan 2016/17:* The Committee received and agreed the Audit Plan for the external audit of the Statement of Accounts for the period ended 31 March 2017, as presented by Ernst & Young.

21 September 2017

- *External Audit – Audit Results Report (ISA 260)*: The Committee received and noted the report from the External Auditors Ernst & Young which summarised the findings from the audit and detailed their audit opinion that they had confidence in the financial team in place for the Combined Authority.

18 December 2017

- *External Audit 2016-17 Annual Audit Letter*: The Committee received and noted the report which asked the committee to note the Annual Audit Letter, as prepared by Ernst and Young following the completion of their 2016/17 audit.
- *Audit Plan 2017/18*: The Committee received the report which asked for the approval of the 2017/18 Audit Plan as prepared by Ernst & Young LLP and agreed to hold an informal meeting in May to review the draft statement of accounts.

26 March 2018

- *External Audit – Final Audit Plan 2017/18*: The Committee received and agreed that the final version of the External Audit Plan for 2017/18 was aligned with the Committee's expectations.

Financial Reporting

Terms of Reference

- 3.14 Consider whether accounting policies were appropriately followed and any need to report concerns to the Combined Authority Board;
- 3.15 Consider any issues arising from External Auditor's audit of the account;
- 3.16 Ensure there is effective scrutiny of the treasury management strategy and policies in accordance with CIPFA's Code of Practice;
- 3.17 Maintain an overview of the Council's Constitution in respect of contract procedure rules, financial regulations and standards of conduct and make recommendations to the Chief Finance Officer and Monitoring Officer where necessary;

Audit & Governance Committee Actions:

21 September 2017

- *Treasury Management Mid-Year Update*: The Committee received the report from the Interim Chief Finance Officer which outlined the current performance against the prudential indicators included within the Treasury Management Strategy.

18 December 2017

- *Treasury Management Strategy*: The Committee received and approved the Combined Authority's draft Treasury Management Strategy for 2018/19 and noted that an updated version would be brought back to the next Committee meeting to take account of any changes prompted by the DCLG November 2017 consultation.

26 March 2018

- *Treasury Management Strategy Review:* The Committee received the report from the Interim Project Accountant which asked the committee to review and comment on the Combined Authority's draft Treasury Management Strategy for 2018/19.

Code of Conduct

Terms of Reference

- 3.18 Ensure the Combined Authority has effective policies and processes in place to ensure high standards of conduct by its Members and Co-opted Members;
- 3.19 Assisting the Members and Co-opted Members to observe the Code of Conduct;
- 3.20 Advising the Combined Authority on the adoption or revision of the Code of Conduct and monitor its operation;
- 3.21 Advising on training and overseeing the effectiveness of any training for Members and Co-opted Members on matters relating to the Code of Conduct;

Audit & Governance Committee Actions:

18 December 2017

- *Members Code of Conduct: Procedure for Hearings by the Audit Committee:* The Committee received a report which outlined a process for dealing with complaints about the Mayor, members of the combined authority, or members of combined authority committees. The committee recommended the procedure to the Combined Authority Board.

Code of Conduct Complaints

The Combined Authority received no complaints during the year 2017/18.

FOI Requests Received

During the year 2017/18 the Combined Authority has received six Freedom of Information requests.

Month	Number of FOI Requests Received	Responded within deadline	Review Undertaken
May 2017	None		
June 2017	None		
July 2017	None		
Aug 2017	None		
Sept 2017	None		
Oct 2017	1	Yes	
Nov 2017	None		
Dec 2017	None		
Jan 2018	1	Yes	
Feb 2018	2	1 – Yes 1 – No	Yes
March 2018	None		
Apr 2018	1	Yes	
May 2018	1	Yes	

Members' Development

Throughout the year, the provision of ongoing Members' development has been the cornerstone of collective skills of the Committee. During the year, officers provided presentations on:

- Risk management
- Monitoring and Evaluation - Summary of Key Information Arising from BEIS Workshop on 17th October 2017
- Evolving the Treasury Management Strategy – Camdor Global Advisors

A self-assessment of the A&G Committee's performance has been undertaken and there will be a further audit of Members' skills to inform future development needs.

Attendance

Date of Meeting	Number of members attended	Substitutes sent	Meeting Quorate
June 26 th 2017	6	1	Yes
September 21 st 2017	7	0	Yes
December 18 th 2017	6	0	Yes
March 26 th 2018	5	1	Yes

FUTURE DEVELOPMENTS AND PLANS FOR 2018 / 2019

Overall, the Audit and Governance Committee want to continue to develop and build on our current achievements. For 2018 / 2019 and this will involve:

- Continuing to monitor and drive up standards of corporate governance;
- Continuing to equip existing and any new Members with the skills needed to fulfil the A&G Committee's responsibilities by providing or facilitating development sessions on all aspects of the Committee's remit;
- Assisting and supporting officers to promote the work of the A&G Committee and the roles of internal audit, external audit and risk management;
- Supporting the continued production of high quality and compliant statutory accounts;
- Helping to further increase awareness within the Combined Authority of its governance arrangements, with particular emphasis on information and tackling fraud and corruption; and
- Providing effective challenge to officers, raising awareness for sound internal control arrangements and giving assurance to the Authority that its control arrangements are sound.

John Pye

Chair

Audit and Governance Committee



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.9
26 SEPTEMBER 2018	PUBLIC REPORT

OVERVIEW AND SCRUTINY COMMITTEE - RECOMMENDATIONS

1.0 PURPOSE

- 1.1. The Overview and Scrutiny Committee met on the 23rd July 2018 and as part of their agenda they discussed adopting a public questions scheme and whether they would like to recommend to the Combined Authority Board that a budget be allocated for the Overview and Scrutiny Committee to help support their future work programme.
- 1.2. The Committee agreed they would like to recommend to the Combined Authority Board that the Overview and Scrutiny Committee adopt a public question scheme and that a budget of £20k for their work programme over the course of the year be allocated.

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Overview and Scrutiny Committee
Lead Officer:	Kim Sawyer, Monitoring Officer and Legal Counsel
Forward Plan Ref: N/A	Key Decision: No
The Combined Authority Board is recommended to: (a) Agree that the Overview and Scrutiny Committee adopt a public question scheme as outlined in Appendix 2 of the report and that the constitution be amended accordingly.	Voting arrangements At least two-thirds of all Members

(b) Agree that an annual budget of £20k be available in the Combined Authority budget to support the work of the Overview and Scrutiny Committee; funds to be allocated subject to specific work programmes.	Simple majority of all Members
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2.0 BACKGROUND

- 2.1. The Overview and Scrutiny procedure rules were written to take account of the legal framework set down within the legislation. The Board was however keen for the Committee to develop its own procedures.
- 2.2. Prior to the establishment of the Committee, the Board set up a shadow committee to enable the committee to develop its own procedures and make recommendations to them. The shadow Overview and Scrutiny Committee was consulted on the draft procedure rules and agreed to revisit them once it had been formally established.
- 2.3. The Overview and Scrutiny Committee's rules for its governance arrangements are set out in the Combined Authority constitution. The constitution has been prepared with a view to ensuring effective open and transparent decision making and to conform with legislation relating to combined authorities and the Order setting up this Authority.

Public Question Scheme

- 2.4. At the Overview and Scrutiny Committee meeting held in September 2017 the committee considered a briefing note (attached at Appendix 1) that outlined how the Committee could amend the constitution to add a public question time scheme to the overview and scrutiny procedure rules. The Committee voted 6 in favour and 6 against having a public question scheme. As there was no clear majority the motion to introduce a public question scheme failed.
- 2.5. The Committee reconsidered adopting a public questions scheme on the 23rd July 2018 and agreed that it was important to give the public question scheme a trial and recommended to the Board that the Constitution (Chapter 8 - Overview and Scrutiny procedure rules) be amended to include an overview and scrutiny question time scheme as set out in Appendix 2.
- 2.6. The public question scheme for the Overview and Scrutiny Committee will ensure that:
 - (a) it is clear that questions will only be accepted if they relate to the Committee's role and responsibilities or an item that the committee is scrutinizing
 - (b) will not be a platform for the public to put questions to the Mayor or the Board of the Combined Authority, both of whom have separate arrangements for dialogue with the public.

(c) questions that should more appropriately be addressed to another party such as the Combined Authority Board or the Mayor will be refused and the member of the public will be advised where best to direct the question.

Budget Proposal

- 2.7. The Overview and Scrutiny Committee decided in January 2018 that they would like to set up a Task and Finish Group to review the Mass Rapid Transport Project. During the group discussions it was realised that there was limited capacity from officers at the Combined Authority to provide support to the Task and Finish group and as a result the members decided that they would like to engage the services of an independent consultant who could advise and support the group during their review.
- 2.8. Funding was approved by the Mayor of the Combined Authority for the Task and Finish group to engage the services of an appropriate consultant.
- 2.9. The Overview and Scrutiny Committee discussed at the July 23rd meeting that to enable them to carry out further reviews into other areas of the Combined Authority work in future that they would like to request that the Overview and Scrutiny Committee receive a specified budget each year to enable them to carry out in depth reviews to help support and scrutinise the work of the Combined Authority.
- 2.10. Members felt that an amount similar to that already proposed for the Task and Finish group would be sufficient for the committee's needs and that if over the year it was not required then it would be returned.
- 2.11. The Committee agreed that they would like to recommend to the Combined Authority Board that a budget of £20k be allocated for the Overview and Scrutiny Committee to help support their work programme.

3.0 FINANCIAL IMPLICATIONS

- 3.1. The £20k budget as detailed in this report, will be returned if unused during the year. Spend against this budget would be held and authorised by the Monitoring Officer in line with CPCA processes.

4.0 LEGAL IMPLICATIONS

- 4.1. There are no legal implications.

5.0 APPENDICES

- 5.1. Appendix 1 – Overview and Scrutiny Briefing Note on Public Question Scheme
- 5.2. Appendix 2 – Proposed Public Question Scheme

<u>Source Documents</u>	<u>Location</u>
Overview and Scrutiny Committee September 2017 Agenda & Minutes	http://cambridgeshirepeterborough-ca.gov.uk/meetings/overview-and-scrutiny-committee-21-september-2017/?date=2017-09-21
Overview and Scrutiny Committee July 2018 Agenda & Minutes	http://cambridgeshirepeterborough-ca.gov.uk/meetings/overview-and-scrutiny-committee-2/?date=2018-07-23

Item 1.9 - Appendix 1

Briefing Note

Public Questions at Overview and Scrutiny Committee meetings for the Combined Authority

Background:

At the June Overview and Scrutiny Committee meeting members requested that the Scrutiny Officer undertake research and prepare a briefing note to outline options for introducing a public question scheme at Overview and Scrutiny Committee meetings.

The Committee were advised that the Overview and Scrutiny procedure rules were written to take account of the legal framework set down in legislation. Prior to the establishment of the Committee, the board set up a shadow committee to enable it to develop its own procedures and make recommendations to them. The shadow Overview and Scrutiny Committee was consulted on the draft procedure rules and agreed to revisit them once it had been formally established. The shadow Committee did not make any recommendations for a question time scheme.

If the Committee wishes to have a question time scheme, this would require an amendment to the constitution which requires a decision of the Board.

The Committee are requested to decide

- (a) whether to recommend that the Committee introduce a question time procedure;
- (b) If yes, the Committee should decide (a) the purpose of and (b) the rules for its scheme; and

Question 1

Does the Committee wish to recommend that the Committee introduce a question time procedure?

Points to consider

From the research undertaken:-

- The Cambridgeshire and Peterborough Combined Authority Board has a public questions procedure and the scheme is set out in Appendix 1A.
- From the research undertaken, only one other Combined Authority Board, ie West Mids CA, has a question time facility.
- None of the Combined Authorities Overview and Scrutiny Committees has yet put in place question time arrangements.
- The Cambridgeshire Police and Crime Panel has a similar scheme to the one adopted by the Board.

- Peterborough City Council's Overview & Scrutiny Committee does not have a question time, except for when dealing with requests to call in an executive decision.

Under common law, the Chair becomes invested with authority to regulate and control proceedings for the purpose of the meeting. If the Chair considers that the Committee would benefit from a contribution from a member of the public, and the committee agree, then he has the power to allow a member of the public to contribute, ie when the committee is taking evidence as part of a scrutiny review.

Recommendation

- a) The Overview & Scrutiny Committee should decide whether to recommend to the Board that a public question scheme be adopted by the committee.

Question 2

If the Committee recommends a scheme, what is the purpose of its scheme and how it will be different from that adopted by the Board to avoid public confusion?

Points to consider: -

- The Board's question time allows the public to ask question of the Board on matters relating to the work of the Combined Authority.
- The role of the Committee is to provide an overview and scrutinise the work of the Board. If the Committee invites the public to ask questions at its meeting, it will want to ensure it is about scrutiny matters and not matters relating to the Board. It would want to avoid referring members of the public back to the Board for an answer to their questions.
- The Committee will want to avoid similar questions or themes being asked at both the O&S Committee and the Board.
- Question time should not be a replacement for public consultation and engagement. The Committee may want to invite members of the public to give evidence as part of a review. This would be separate from any question time process.
- It should be regulated to allow for fairness to those attending and so that the agenda cannot be dominated by one or a group of individuals

Recommendation

If the Committee agree to recommend a scheme, It should recommend to the Board that the Committee wish to adopt a public question time that would allow public questions at each meeting of the Overview and Scrutiny Committee:

- a) To enable members of the public to engage with the Committee and pose questions relating to its remit and functions as an overview and scrutiny committee. Questions will only be accepted if they relate to the Committee's role and responsibilities or an item that the committee is scrutinising.
- b) It will not be a platform for the public to put questions to the Mayor or the Board of the Combined Authority, both of whom have separate arrangements for dialogue with the public.
- c) Questions that should more appropriately be addressed to another party such as the Combined Authority Board or the Mayor will be refused and the member of the public will be advised where best to direct the question.

Question 3

What would be the rules of the public question scheme?

Points to consider:-

- **Time Limit on Speaking**
 - The Committee have agreed to meet for approximately 2 hours once a month and over time will develop a work programme. Therefore, it will want to ensure it has sufficient time to deliver its work programme.
 - The Board has allowed 30 minutes for question time to ensure a balance between public engagement and the need to progress the work of the Board. Priority is given to questions relating to matters on the agenda.
 - The Board has allowed 2 minutes per person for asking a question at the meeting with an optional 1 minute for a supplementary question to ensure a fair distribution of time between questioners.
 - The West Mids Combined Authority Board, the only other Board to have adopted a scheme, have a time limit per person of 5 minutes for a person to speak. They also invite people/service users or their representatives to give evidence when undertaking a scrutiny review. This enables them to have a balance between written evidence and oral evidence.
 - Any questions not dealt with could be answered by the Chair after the meeting. Again, the Chair will want to avoid speaking on behalf of Board members and to keep executive matters separate from overview and scrutiny matters.

- **Notice to be Given**

- The Board have asked for notice of questions. This enables the Board to have had the opportunity to give the public a detailed response. The Board felt that members will want and deserve an answer at the meeting, rather than an answer later on after the meeting.

- **Order for questions**

- For the Board, priority is given to questions on items on the agenda for the meeting, or issues where decisions are expected before the next meeting. The order in which first these and then other questions shall be presented to the meeting shall be determined by a draw undertaken by the Monitoring Officer.
- The Committee may want to consider other options, ie if notice of questions is not required, the Chair could decide from amongst the audience by show of hands, asking the public to write down the questions and the Chair draws them from a hat.
- The Scrutiny Officer could group and combine questions in order of themes at the meeting, or this could be done prior to the meeting, if notice of questions is given.

- **Repeated Questions**

- The Committee could introduce a six-month rule where a question cannot be a repeated question that has already been asked in the past year.

Recommendation

If the Overview and Scrutiny Committee recommend a scheme, it is recommended that the Board's scheme in Appendix 1a be adapted for the Overview and Scrutiny committee's needs.

A suggested scheme for the Overview and Scrutiny Committee is set out in Appendix 1b. The scope for questions (para 17.7) has been amended to take account of the Committee's role

The Committee are asked to consider the scheme in Appendix 1b and agree any amendments.

The Committee should then agree to recommend its scheme to the Board, and request the Constitution (Chapter 8, Scrutiny Procedure rules, Paragraph 17, Page 59) be amended to include the scheme.



Item 1.9 - Appendix 2

Suggested Public Question Scheme

Chapter 8, Overview and Scrutiny Procedure rules - new Paragraph 17, Page 59.

17. Questions by the Public

17.1. Councillors of Constituent Authorities and members of the public who are residents of the Combined Authority area or work in the area may ask questions to the Overview and Scrutiny Committee, including at an Extraordinary Meeting. For Extraordinary Meetings, the question must relate to the item on the agenda.

17.2. The total time allocated for questions by the public shall normally be limited to a maximum of 30 minutes, but the Chair shall have the discretion to add a further 15 minutes.

17.3. Where there is an item on the agenda that has attracted significant public attendance, that matter shall normally be taken early in the agenda, unless the Chair agrees there is a compelling reason to do otherwise.

Order of Questions

17.4. The order in which first these and then other questions shall be presented to the meeting shall be determined by a draw. The draw shall be conducted by the Monitoring Officer prior to the meeting.

Notice of Questions

17.5. A question may only be asked if notice has been given in writing or by electronic mail to the Monitoring Officer no later than midday three working days before the day of the meeting. Each question must give the name and address of the questioner.

Number of Questions

17.6. At any one meeting, no person may submit more than one question.

Scope of Questions

17.7. If the Monitoring Officer considers a question submitted:

(a) does not relate to the Committee's role and responsibilities or related to an item that the committee is scrutinising;

- (b) is illegal, improper, defamatory, frivolous or offensive including if it makes unfair claims about Members of the Combined Authority or Constituent Authority staff;
- (c) is a question that should more appropriately be addressed to another party such as the Combined Authority Board or the Mayor;
- (d) is substantially the same as a question which has been put at a meeting of the Overview and Scrutiny Committee in the past year;
- (e) requires the disclosure of confidential or exempt information;

the Monitoring Officer will inform the Chair who will then decide whether to reject the question, or if (c) applies, to refer it to the Board.

Record of Questions

17.8. The Monitoring Officer shall record the question and will immediately send a copy to the Chair and relevant shadow portfolio holder. Rejected questions will be recorded including the reasons for rejection.

17.9. Written answers will be provided after the meeting to the person who submitted the question. Copies of all questions will be circulated to all Members. Questions and answers will be added to the Combined Authority website.

Asking the Question at the Meeting

17.10. The Chair will invite the questioner to put the question to the Committee. Up to two minutes are allowed for putting the question. If a questioner who has submitted a written question is then unable to be present, they can ask for a written response. No debate will be allowed on the question or response.

Supplementary Questions

17.11. Unless due to time shortage and the need to answer other questions means there is insufficient time for supplementary questions, a questioner may also put one supplementary question without notice to the committee. A supplementary question must arise directly out of the original question or the reply. One minute is allowed for putting the supplementary question.

Answers

17.12. Up to two minutes are allowed for answering a question or supplementary question. Any question which cannot be dealt with because of lack of time will be dealt with by a written answer.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.10
26 SEPTEMBER 2018	PUBLIC REPORT

GOVERNMENT REVIEW OF LEPS – STRENGTHENED LOCAL ENTERPRISE PARTNERSHIPS

1.0 PURPOSE

- 1.1 To agree the Combined Authority response to the Government Paper on Strengthened Local Enterprise Partnerships which was published on the 24 July. This is linked to a paper that will be considered by the Business Board on the 24 September.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor and Chair of Business Board
Lead Officer:	Kim Sawyer, Legal Counsel and Monitoring Officer
Forward Plan Ref: 2018/027	Key Decision: Yes
<p>The Combined Authority Board is requested to:</p> <ul style="list-style-type: none"> (a) Acting as the Accountable Body agree the draft response to Government from the Business Board as set out in Appendix A. (b) Agree the position on a coterminous boundary between the Local Enterprise Partnership area and Combined Authority area for submission to the Government. (c) Agree that any final insubstantial amendments that are required prior to submission of the response to Government 	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

can be made by Legal Counsel, in consultation with the Mayor.	
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2.0 REQUIREMENTS

- 2.1. The Government paper on Strengthened Local Enterprise Partnerships was published on 24 July. This followed a Ministerial review of Local Enterprise Partnerships (LEPs). This is a paper for implementation, not a consultation document. A link to the paper is set out below:-

(a) https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728058/Strengthened_Local_Enterprise_Partnerships.pdf

- 2.2. Local Enterprise Partnerships are required to respond to the Government on the question of geography by the 28 September and separately on governance and performance matters by 31 October. In areas where there is a mayor and combined authority the Government wanted LEPs and the Combined Authority to also look at alignment of operational areas by 2020.
- 2.3. The Business Board will be responding to the Government paper and a copy of the latest draft response that has been prepared is included at Appendix A. The Business Board will be meeting for the first time on the 24 February and therefore it is likely further changes will be made, an updated response will therefore be provided at the meeting.
- 2.4. The Combined Authority needs to consider two issues. Firstly, as the Accountable Body for the Business Board (for both the financial arrangements and governance matters) whether there are any further points that need to be addressed in the attached response and that this response is fit for purpose at this stage. Secondly, to respond on the question of geography and particularly any future alignment between the Business Board (LEP) area and that of the Combined Authority.

3.0 BACKGROUND

- 3.1. The Government paper contains additional requirements on governance and performance monitoring for LEPs and a new National Assurance Framework which will be published in the Autumn. It is anticipated that although the final details have yet to be published the Business Board should be able to comply with all these requirements by February 2019.

- 3.2. The Government paper also contains proposals on future geography. The main driver for looking at geography was to move to a position where businesses and communities were only covered by one LEP. Collaborations between LEPs would still be encouraged in the future, particularly given the investment in infrastructure and travel to work areas. How the future geography is to be organised has been left to local discretion with LEPs invited to put forward proposals.
- 3.3. The Business Board area currently has eight authorities that are not part of the Combined Authority, shaded in purple on the following map.



- 3.4. The Government recognises that five of these authorities are in two LEP areas, two are officially only in one LEP (South Holland DC and South Kesteven DC in Greater Lincolnshire) and Rutland County Council is just in the Business Board area. St Edmundsbury and Forest Heath have also joined to become West Suffolk.
- 3.5. All of these authorities will need to indicate to their respective LEPs which LEP they would like to be in the future and then this will feed into their return to Government. Discussions have been held informally with most of the authorities and several of the neighbouring LEPs to see if there is a possibility for clarity over the LEP landscape across the wider region in the future.

4.0 KEY ISSUES

- 4.1. The question of assurance and responding as the Accountable Body is relatively simple. The previous Greater Cambridgeshire Greater Peterborough LEP was fully compliant in February 2018 with the National Framework.

Although the new National Framework has not been published it is anticipated that steps will be taken to ensure the Business Board is compliant in February 2019. Any further comments or proposed amendments that the Board has on the attached draft Annex will be fed back to the Business Board and discussed prior to their submission.

- 4.2. On the question of geography at the time of writing this report the Business Board has not met to consider the Government response or the question of aligning the Business Board and Combined Authority areas in the future. Some of the key issues that need to be considered are set out below:-

Timescale

- 4.3. The Government has provided a very small window for the response on geography, the report was published on the 24 July with a deadline for responses of no later than the 28 September. This is a period where many people are on holiday. An extension to the deadline was requested, however, this was turned down.
- 4.4. There has therefore been very little time to meet with businesses and authorities to discuss the details or for the new Business Board to have time to consider the various options. From a pragmatic point of view given the timescale this would point towards a simpler alignment of the LEP boundary in the future.

Complexity

- 4.5. Aside from the areas that are in two LEPs there are other areas that are either just in the Business Board area or not formally recognised as being in the Business Board area. This adds a further level of complexity to the response on geography.

Focus

- 4.6. The primary aim over the past few months has been on economic growth, the Cambridgeshire and Peterborough Independent Economic Review was published on the 14 September. The focus of the response should not be overly concerned with lines on a map, which are not recognised by businesses or growth corridors. There are plenty of opportunities to collaborate at a Business Board to LEP level and at Combined Authority to local authority level in the future and further opportunities to collaborate more widely as has been seen on the Energy Hub and the increasing focus on the Cambridge/Milton Keynes/Oxford corridor. Although this will introduce a further tranche of agreements the focus has to be on securing growth for the area.

Change management

- 4.7. Any changes to the Business Board area will require new agreements and working arrangements. Based on the work associated with the business transfer from the GCGP LEP to the Combined Authority this work should not be underestimated.

Alternative options

- 4.8. The Combined Authority continues to discuss closer working relationships with neighbouring authorities and it is anticipated this would continue and increase irrespective of the geography of the Business Board.
- 4.9. The Business Board as an initial phase is considering several options on the issue of a coterminous border:-
- An authority that is not in the Combined Authority is solely in another LEP area and there is some form of collaboration agreement between the two LEPs on any joint schemes;
 - An authority that is not in the Combined Authority remains in the Business Board (LEP) area and not a member of the Combined Authority Board;
 - An authority that is not in the Combined Authority remains in the Business Board area and has some form of membership of the Combined Authority Board.
- 4.10. The recommendation is however for a coterminous border between the Business Board and the Combined Authority.
- 4.11. The Combined Authority will need to consider what the Business Board is proposing. The outcome of that discussion will not be known until the 24 September.

5.0 FINANCIAL IMPLICATIONS

- 5.1. If the Board is found not to be compliant with the National Assurance Framework then the Government has indicated that growth funding will be withheld. This could have implications for schemes where funding has been agreed in principle or for new funding programmes.

- 5.2. Although there is no overt link between Government funding allocations and population this does feature as one of the factors commonly used in determining the capital and revenue funds that will be made available by Government. Any reduction in the size of the area could therefore have an impact. This could potentially be up to a 50% reduction if all the authorities that are currently in the LEP Area but not in the CA chose to join another LEP. However, it is anticipated that any reduction would be less as most of these authorities only have part allocations as they are already in another LEP area or not formally recognised as being in the current Business Board area. The Business Board currently has £756,000 in revenue and £17M in capital allocated for 2018/19 but none has yet been released.
- 5.3. Aside from the government funding there would be a risk to one of the Enterprise Zone revenue receipts if any change was made to the arrangements for the West Suffolk area, a forecast income stream of £323,00 to the end of 2020-21.
- 5.4. As previously highlighted there is a risk that if any changes are made to the LEP boundary and this is reduced then both authorities outside the Combined Authority and other LEPs will request a review of the funding allocations prior to any formal change.
- 5.5. It is suggested at this stage that if a significant change is made to the LEP boundary then financial provision in the region of £200,000 will need to be made available by the Government. In reality this may not be sufficient given all the legal and financial work required and the various agreements that will be needed.

6.0 LEGAL IMPLICATIONS

- 6.1 Further Combined Authority to authority agreements and LEP to LEP agreements will be required in the future. Depending on the scale of any change to the boundaries then additional external legal advice is likely to be required.
- 6.2 There are likely to be a number of contract that have to be realigned to the new Business Board. There were 152 agreements between the previous LEP and various organisations as the Business Board changed to the Combined Authority as its accountable body. After significant focus on these agreements 143 have now been signed by the various parties and returned. There is likely to be an associated legal resource required to support the change in boundaries.

7.0 SIGNIFICANT OTHER IMPLICATIONS

- 7.1 The decisions for the Combined Authority Board are dependent on the initial conclusions reached by the Business Board on the 24 September. Further work may be required between the 26 September and the submission on the 28 September.
- 7.2 Any proposed changes to the geography of the Business Board will also be dependent on Government agreement and decisions by the relevant authorities and local enterprise partnerships across the wider region.
- 7.3 If an initial position can be reached on the future geography that is acceptable to the Combined Authority and the Business Board then it may be possible that the Mayor and Chair of the Business Board can work with all the parties involved to present a composite picture back to Government for consideration. This will be further explored over the coming weeks to see if this is possible as this would smooth the way forward on this matter and enable the vital work on progressing the Local Industrial Strategy to continue at pace.

8.0 APPENDICES

APPENDIX A – ANNEX AND DRAFT RETURN TO GOVERNMENT

<u>Source Documents</u>	<u>Location</u>
Government paper on Strengthened LEPs	See link in introduction.
Report to Business Board on 24 September 2018	

GOVERNMENT RETURN

Annex A Implementation guidance note – next steps.

This document outlines the next steps that a Local Enterprise Partnership (LEP) should take so it can begin to implement the review.

Please note that over the summer the LEP Network will be convening a number of working groups. At these working groups, LEPs will agree guiding principles to help ensure consistency in the implementation of the review. All LEPs are encouraged to engage in these discussions and use these to inform your own plans.

In the coming months, your LEP should provide an initial response setting out how you will fulfil the recommendations; outlining the approach you are going to take to achieve this. The length and detail of these responses should be proportionate to the changes required by the LEP¹. For the initial response, LEPs should:

1. Develop and submit proposals on geography no later than **28 September 2018**. If no changes are proposed, LEPs should outline why. A template for your response is included in Annex B.
2. Develop and submit a plan for implementing the review recommendations no later than **31 October 2018**. A template for your response is included in Annex C.
3. Hold a conversation, and work with, their Area Deputy Director and Local Area Leads before they submit their proposal for additional funding.
4. Include the proposal for additional funding alongside your implementation plan. A template to submit this proposal is outlined in Annex D.

These proposals should be submitted to LEPpolicy@communities.gsi.gov.uk copying in your Area Lead.

Specific timelines for the implementation of the recommendations are outlined below, and the majority of these recommendations will need to be in place for the beginning of the 2019-20 financial year. These timeframes will be reflected in the National LEP Assurance Framework, which will be revised in Autumn 2018. You should be prepared to update your plans to reflect any additional guidance outlined in the document.

We expect all LEPs to be compliant with the revised National LEP Assurance Framework by the 28 February 2019 to ensure that the necessary systems and processes are in place to manage devolved funding from central Government budgets effectively for the next financial year.

Proposals on geography

All LEPs should outline proposals in response to the Government's recommendations on geography no later than **28 September 2018**. Proposals should best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as

¹ Unless the LEP is making significant changes and needs to provide additional detail, Government does not expect the response to each recommendation to exceed 300 words.

mergers. If your LEP is proposing no changes to its geographical boundaries, you should respond briefly, outlining why no change is required. If your LEP is proposing changes to its geographical boundaries you should outline why these changes would be suitable for your local area. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. This should also include how any proposed changes will align with the development of Local Industrial Strategies.

You should engage with officials in the Cities and Local Growth Unit over the coming weeks and months to discuss any potential geography changes.

Proposals should be submitted in the format outlined in Annex B and submitted to the LEPpolicy@communities.gsi.gov.uk no later than 28 September 2018, copying in your Area Lead. We will look to keep you informed following receipt of your proposals and respond promptly.

We recognise that LEPs are independent bodies and will have to work closely with local stakeholders to implement any changes. We will work with each LEP to ensure that revised geographies come into effect by spring 2020 at the latest, recognising the need to deliver against existing commitments as well as transition to the new policy and funding landscape over these new geographies.

Implementation Plan

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit (LEPpolicy@communities.gsi.gov.uk), copying in your Area Lead.

The implementation plan should provide an initial response setting out how you will fulfil the recommendations; outlining the approach you are going to take to achieve this. You should outline your plans to address each recommendation in Annex C, providing clear timeframes in which you expect to have these plans in place. These proposals should also outline any milestones, issues and risks that the LEP may face in meeting the recommendations outlined in the review.

Proposals for additional capacity funding

The Government is making up to £200,000 available in 2018-19 to each LEP to fund a timely and effective implementation of the LEP review, and the development of an evidence base for Local Industrial Strategies.

You should complete the attached Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review.

It is expected that the majority of additional funding will be used to build in-house capacity and capability in LEPs (e.g. through recruitment and up-skilling) to demonstrate an improvement in analytic, policy and programme management capabilities that will be able to deliver on increased responsibilities. However, we recognise that it will be necessary for some additional funding to be used for other costs and external fees (e.g. costs associated with incorporation).

This funding will be paid by S31 grant to the Accountable Body, to the account used to pay LEP core funding in April 2018. If these details are different please indicate this in section 2 of Annex D.

The Cities and Local Growth Unit will review all geography proposals, implementation plans and funding annexes and will consider the extent to which these correspond to the recommendations of the review. The release of additional funding is contingent on this assessment.

If you have any questions relating to the requirements above, please contact your Area Lead who will liaise with policy officials as required to resolve your query.

DRAFT

Annex B: Geography proposal response template

LEP Name: BUSINESS BOARD (Formerly GREATER CAMBRIDGESHIRE GREATER PETERBOROUGH LEP)

Please outline the LEP's plans to address the geography recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

Proposals should be submitted to LEPpolicy@communities.gsi.gov.uk no later than **28 September 2018**, copying in your Area Lead.

Geography

Recommendation:

As Local Enterprise Partnerships are central to future economic growth, Government will ask Local Enterprise Partnership Chairs and local stakeholders to come forward with considered **proposals by the end of September on geographies which best reflect real functional economic areas, remove overlaps and, where appropriate, propose wider changes such as mergers.** ...These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Information required in geography proposal:

All LEPs should outline their response to the Government's recommendations on geography no later than **28 September 2018**.

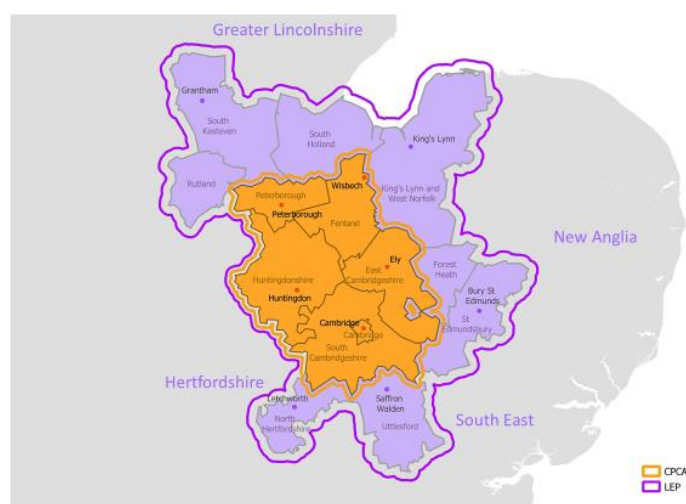
Those LEPs proposing geography changes should provide detail of the proposed changes. In your response you should outline why these changes would be suitable for your local area. These proposals should include timescales for the transition to different geographies. LEPs should work with the LEP Network and neighbouring LEPs to ensure a shared understanding of the geography changes being proposed exists.

For LEPs who are proposing no changes you should respond briefly outlining why no change is required. For LEPs in MCA areas, these proposals should consider the current relationship between the MCA and LEP geographies. All LEPs should aim to have revised geographies (if required), by **spring 2020**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The geography for the LEP is a complex picture, whilst the Government has requested a response on the question of duality there are also other factors that need to be considered. A map showing the current geography is set out below.



As well as the areas that are in two LEPs, Rutland County Council is part of the LEP currently and is not covered by another LEP. South Kesteven and South Holland are only part of the LEP through a local arrangement which is not recognised at a national level.

That LEP is already leading a multi LEP programme on Energy and will continue to work collaboratively across the wider region and also envisages working more closely with other LEPs that are outside the current LEP area. Potentially through new collaborations and funding agreements.

The LEP Geography is being discussed at a meeting of the LEP Board on 24 September and then at the Combined Authority Board on 26 September. This section will be updated following the conclusion of those discussions.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

The question of geography was discussed at the LEP Board meeting on the 24 September.

This was further debated at the Combined Authority Board on 26 September.

If any changes are to be made these would need to be agreed with government. There would potentially be implications for programme delivery and funding and therefore any milestones would need to be established as part of a wider change programme.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

After going through significant change in the past twelve months and the transition from the GCGP LEP to the Business Board, the Government should not underestimate the difficulty, resources and legal advice required in transferring any LEP business and the accountable bodies and contracts, not just for the longer-term infrastructure programmes but also any agreements requiring up to six years monitoring.

Several European funding streams will continue beyond 2020 and run until 2023, it is not clear how these would be managed in the future given the government deadlines.

Recommendation:

We will **encourage Local Enterprise Partnerships and mayoral combined authorities to move towards coterminous boundaries where appropriate** in line with the wider discussions on Local Enterprise Partnership geographies. These proposals should be submitted by 28 September 2018. Government will respond to these proposals in the autumn and future capacity funding will be contingent on successfully achieving this.

Information required in geography proposal:

For LEPs in MCA areas, these proposals should consider the current relationship between MCA and LEP geographies.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

TBD following the meetings on 24 September and 26 September. The recommendation is for coterminous boundaries.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

The LEP has a new Board membership from 24 September 2018.

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Annex C: Implementation plan response template

LEP Name: BUSINESS BOARD (Formerly GREATER CAMBRIDGESHIRE AND GREATER PETERBOROUGH LEP)

Please outline the LEP's plans to address the recommendations below, noting the guidance provided by the Unit. In your response, you should outline any key milestones, risks and issues.

All LEPs must submit the implementation plan template (Annex C) **no later than 31 October 2018** to the LEP policy team in the Cities and Local Growth Unit (LEPpolicy@communities.gsi.gov.uk), copying in your Area Lead. The plan should outline the changes that the LEP is making to ensure that it meets the recommendations set out in the LEP review. It should also outline any key milestones, risks and issues.

Roles and Responsibilities

Recommendation:

We expect all Local Enterprise Partnerships will follow best practice within the sector and **produce an annual delivery plan and end of year report.**

Information required in implementation plan:

Within the implementation plan, the LEP should outline its plans to draft and publish an annual delivery plan by **April 2019** and an end of year report at the end of the **2019-20 financial year.**

Government will work with LEPs to develop qualitative and quantitative measures to report against. As you develop your Local Industrial Strategy, Government expects the delivery plan and end of year report to be linked to the progress of your Local Industrial Strategy. The implementation response should provide a commitment to adopt and report against agreed key performance indicators.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Independent Economic review was published on the 14 September. Significant work has been undertaken to develop a robust evidence base that will feed into the development of the Local Industrial Strategy.

The LEP plans to publish an annual delivery plan by April 2019 and an end of year report at the end of the 2019-20 financial year. This will take into account the Local Industrial Strategy.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Leadership and Organisational Capacity

Recommendation:

Government expects that each Local Enterprise Partnership **consults widely and transparently with the business community before appointing a new Chair, and appoints a Deputy Chair.**

Information required in implementation plan:

Within the implementation plan, you should outline your LEP's draft proposed process for consultation of the business community before appointing a new Chair. LEPs should plan to have this process in place by **28 February 2019.**

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The LEP has already gone through a process of recruiting to the new Board. The first Chair will be selected from the recruitment process, a skills matrix was developed specifically for the Chair and any applicants for roles on the Board who expressed an interest in the position of Chair were asked a series of additional questions. A final decision on the appointment of the Chair will be taken at the first meeting of the Board on 24 September 2018.

A wide-ranging consultation was undertaken with the business community in seeking nominations for the Board in the first instance.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

New Chair to be elected in September 2018, a fixed term applies.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

In line with best practice in the private sector, Local Enterprise Partnerships will want to **introduce defined term limits for Chairs and Deputy Chairs** where these are not currently in place.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to introduce defined term limits for Chairs and Deputy Chairs. LEPs should plan to have this process in place by **28 February 2019**. LEPs should also plan to have a Deputy Chair in place by **28 February 2019**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

A three-year term is in place for all the Board members. This will therefore be in place by the deadline of 28 February 2019.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

Government's aspiration is that Local Enterprise Partnerships work towards strengthening the representation from the private sector, increasing **representatives from the private sector so that they form at least two thirds of the board**, to ensure that each Local Enterprise Partnership can truly be said to be business-led. In order to maintain focused board direction and input, Government will work with Local Enterprise Partnerships to establish a **maximum permanent board of 20 people**, with the option to co-opt an additional five board members with specialist knowledge on a one year basis.²

Information required in implementation plan:

LEPs must be accountable to their area and representative of the communities they serve. Therefore, within the implementation plan, your LEP should outline any changes you plan to make to the composition of the board to meet the review recommendations. As part of this you should outline:

- how your LEP plans to increase the private sector board membership to 2/3 private sector.
- how your LEP will ensure that the board does not exceed a maximum of 20 persons.
- arrangements for co-opted members (if applicable).

You should outline how your LEP plans to achieve this board composition over time, for example, in phases. LEPs should plan to have implemented any changes needed to board composition by **the end of the 2019-2020 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The team establishing the Business Board has worked closely with the Government on the arrangements, the Board is proposed to be a maximum of ten people, eight of which will be drawn from the private sector. There are currently no co-opted members, however, the requirements on co-opted members are noted for future reference.

Key milestones

² Any private sector board member must fit the definition of 'private sector' as defined by the National Accounts Sector Classification. A private sector member must be or have been employed by an organisation not included as central government, local government or a public corporation as defined for the UK National Accounts.

Please indicate any key milestones the LEP is required to meet to address the above recommendation:
Board will be established in September 2018, it is anticipated at least two thirds of the members will come from the private sector.
Key risks and/or issues Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.
N/A

Recommendation: Government expects refreshed Local Enterprise Partnership boards to improve their gender balance and representation of those with protected characteristics . Our aim is for Local Enterprise Partnership boards to have equal representation of men and women by 2023. As a step towards achieving this, we will replicate the target set in the Hampton-Alexander Review for FTSE 350 boards; Local Enterprise Partnerships should aim for a minimum of a third women's representation on their boards by 2020.
Information required in implementation plan: Within the implementation plan, your LEP should outline how you will demonstrate the work that you will undertake to encourage board diversity, including enacting any changes in the National Assurance Framework. All LEPs should aspire to achieve gender balanced boards. The implementation plan should include detail on plans to: <ul style="list-style-type: none"> • Take action to ensure that at least one third of the LEP's appointed board members are women by the end of the 2019-2020 financial year. • Take action to ensure equal representation of men and women on boards by the end of the 2022- 2023 financial year.
LEP response Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:
The LEP is very aware of the question of gender balance, it is not anticipated that the 2019/20 target on women's representation will be achieved at this stage. As highlighted previously nominations were sought for Board membership from the private sector and all the applicants were assessed against a robust set of criteria. Whilst it is unlikely the Board will meet the goal on women representation initially it is recognised that there is further work to be done to meet the Government target. It is anticipated that there will be member representation on the Board from other protected characteristics.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Business Board has recently been established, should any vacancies at the end of this initial stage, or periods of appointment come to an end then the Board will continue to encourage Board diversity.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

This is dependent on the applications received and individuals meeting the role requirements. The Board will be encouraging applications from the whole business community, there are no geographical constraints and the aim is to get a broad mix of individuals including people reflecting the key sectors in the area.

Recommendation:

Local Enterprise Partnerships will **need to provide a secretariat independent of local government to support the Chair and board** in decision making.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to put in place arrangements to ensure that all board members, whether from a public, private or third sector organisation, can access impartial advice and support from the LEP as a collective enterprise. You should outline the timeframe in which your LEP expects to have this secretariat in place.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

It is not clear at this stage what is required in terms of independence in mayoral areas, does this range from secretarial support on for example agenda setting, minutes and ensuring reports are produced through to wider specialist legal and financial support.

A separate arrangement has already been made for specialist governance support for the delivery of the decision making process.

The Finance function is currently being provided within the Finance Team at the Combined Authority through an individual who has been specifically appointed to support the

Business Board and act as its S73 officer. The Combined Authority has a separate S73 Officer to oversee the Accountable Body arrangements. This enables access to a wide range of specialist knowledge, skills and experience whilst ensuring independent advice and avoiding any conflicts of interest.

Legal advice and support on the Business Board is being provided separately through a private sector provider - Pinsent Masons, via the Legal Counsel and Monitoring officer at the Combined Authority.

Given the Business Board has only just been formed and the Chair elected it is felt these arrangements are sufficient at this stage.

Some further clarity on what the Government is expecting in the future would be welcomed, especially given the additional cost involved in procuring private sector resources and finding individuals with the required knowledge, skills and experience to provide the required level of secretariat support.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

Identifying suitable providers who can meet the governance support to meet the national assurance framework and can provide the required business support and advice is going to be difficult if this doesn't come from the public sector.

Accountability and Performance

Recommendation:

Government will **support all Local Enterprise Partnerships to have a legal personality.**

Information required in implementation plan:

Within the implementation plan, you must outline your LEP's plans to adopt a legal personality. All LEPs should plan to adopt a legal personality by **April 2019**³. Government will provide further advice to LEPs on incorporation.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Business Board will be established in a mayoral combined authority area and regular discussions have been held with the Government during the process to ensure that these arrangements are in line with Government thinking.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

Local Enterprise Partnerships will want to identify a **single Accountable Body within in each area** that is responsible for all Local Enterprise Partnership funding.

Information required in implementation plan:

Within the implementation plan, you must outline how your LEP plans to adopt a single Accountable Body within each area that is responsible for all Local Enterprise Partnership funding. You should outline the timeframes in which the LEP expects to have this arrangement in place. The plan should also include details about the transition of any funding arrangements⁴. LEPs should have a single Accountable Body in place by **Spring 2020**.

LEP response

³ Where changes to geographies have been agreed, LEPs and Government will agree an appropriate timeframe for incorporation.

⁴ LEPs should outline where programmes, such as Enterprise Zones, will continue under existing Accountable Body arrangements.

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:
The Combined Authority is the Accountable Body and these arrangements have already been put in place.
Key milestones
Please indicate any key milestones the LEP is required to meet to address the above recommendation:
N/A
Key risks and/or issues
Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.
N/A

Recommendation:
As legal entities, all Local Enterprise Partnerships will be required to hold an annual general meeting. We will set an expectation that these are open to the public and businesses to attend and properly promoted.
Information required in implementation plan:
Within the implementation plan, your LEP must commit to hold an annual general meeting; open to the public to attend. Your LEP should hold its first/next public Annual General Meeting in the 2019-20 financial year.
To ensure that all businesses in an area have equal access to their Local Enterprise Partnership, we will not permit any Local Enterprise Partnership to operate on a paid-membership basis.
LEP response
Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:
The Business Board will hold an Annual General Meeting and a 6 month performance review meeting that is open to the public.
Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

We will expect all Local Enterprise Partnerships to set out exactly who is accountable for spending decisions, appointments, and overall governance locally.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to review the responsibilities of the Chair, Board, Director, and Accountable Body and discuss plans to outline these responsibilities in a revised Local Assurance Framework. These arrangements should be put in place for **the 2019-20 financial year**.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The governance arrangements of the Business Board have been developed alongside the emerging government requirements. These were discussed and reviewed with the Chair and the Board at the initial meeting on 24 September when the Board was established. The Business Board has its own constitutional arrangements available online.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

Some initial work has been undertaken in developing the governance framework. Any additional government advice and clarification will be considered as and when this is produced. Any changes as a result of the new National Assurance framework, additional government guidance or advice from other organisations, such as the LEP Network will be reviewed when this is published.

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Recommendation:

The Government will **support Local Enterprise Partnerships to set out how they will ensure external scrutiny and expert oversight**, including participating in relevant local authority scrutiny panel enquiries to ensure effective and appropriate democratic scrutiny of their investment decisions.

Information required in implementation plan:

Within the implementation plan, you should outline how your LEP plans to discuss and agree scrutiny and oversight processes with the LEP's Accountable Body Section 151 Officer. LEPs and S151 Officers should refer to forthcoming guidance from CIPFA on the role of the S151 Officer.

LEP response

Please outline the LEP's response to the recommendation. The response should consider the information required, outlined above:

The Business Board will be subject to scrutiny by both the Audit and Governance Committee and the Overview and Scrutiny Committee of the Combined Authority. The governance arrangements of the Business Board will ensure that any funding decisions are approved under the Accountable Body arrangements and will therefore be considered in a public meeting. The Audit and Governance Committee has already arranged for a presentation to their meeting in September at which the s73 officer to the Business Board will be attending.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

N/A

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

N/A

Mayoral combined authorities

Recommendations:

Government will **consolidate its engagement with mayoral combined authorities and their Local Enterprise Partnerships with a collaborative approach to agreeing a Local Industrial Strategy.**

To help ensure that Local Enterprise Partnerships have a distinctive role from the mayoral combined authorities, we **will support Local Enterprise Partnerships and mayoral combined authorities to develop and publish agreements – brought together in a single document with relevant financial assurance frameworks – which set out their respective roles and responsibilities** in a way that recognises the variation between places, while providing sufficient clarity on accountability for public funding.

Information required in implementation plan:

For LEPs in mayoral combined authorities, LEPs and the relevant combined authority should discuss the distinct role of the LEP and their future working arrangements.

If appropriate, you should outline your LEP's plans to review these arrangements and plans to develop a published agreement of roles and responsibilities. The LEP should provide an update on any discussions to date. This should be consolidated in the LEP's Local Assurance Framework by the **28 February 2019.**

LEP response

Please outline the LEP's response to the recommendations. The response should consider the information required, outlined above:

We welcome a consolidated approach to Local Industrial Strategies as this is the approach being taken locally. In advance of the LEP Review the Combined Authority has tasked the Business Board with leadership of the production of the LIS. The Combined Authority and the Business Board have jointly commissioned the Cambridgeshire and Peterborough Independent Economic Review (CPIER) as the evidence base and analysis to underpin the LIS. The CPIER has included analysis of, and engagement with, Business Board local areas outside of the CPCA area. Furthermore, the brief to work with the Business Board to produce the LIS was made to cover the Business Board geography.

This approach has been adopted to best prepare the LIS for the geographic scope that will be determined following the LEP Review.

Key milestones

Please indicate any key milestones the LEP is required to meet to address the above recommendation:

- Publication of the Cambridgeshire and Peterborough Independent Economic Review (14 September)
- Stakeholder Engagement to produce the Local Industrial Strategy (building upon the engagement already undertaken for the CPIER) September – December
- Finalisation, sign-off, and adoption of the LIS January – March

Key risks and/or issues

Please indicate any risks or issues that may prevent the LEP meeting the recommendation above. The LEP should also outline how it is mitigating these risks.

No further risks identified at this stage.

ANNEX D: LOCAL ENTERPRISE PARTNERSHIP 2018-19 ADDITIONAL FUNDING FORM

LEPs should complete Annex D and return it alongside your implementation plans **no later than 31 October 2018**. Plans should provide a sufficient level of detail on the capacity and capability that this additional funding will bring, and demonstrate how it will be spent by March 2019. You will only receive this funding if Government is satisfied that your proposals on geography, implementation and additional funding address the recommendations outlined in the LEP Review. These proposals should be submitted LEPpolicy@communities.gsi.gov.uk copying in your Area Lead.

1. Name of Local Enterprise Partnership	Business Board
2. Key contact at Local Enterprise Partnership (name, email, and telephone number)	John Hill, john.hill@cambridgeshirepeterborough-ca.gov.uk 01480 277180
3. Name and address of Accountable Body	Cambridgeshire and Peterborough Combined Authority Incubator 2 Alconbury Weald Enterprise Campus Alconbury Weald Huntingdon PE28 4WX
4. Level of additional funding being sought (up to £200,000).	£35,000 per year in initial revenue costs for independent support to the Board in 2018/19. It is suggested and additional £85,000 is provided to cover any initial one-off transition costs should the boundary of the LEP change in the longer term.

5. Local Enterprise Partnership additional funding requirements. Please set out in the table the key elements of the partnership's additional budgetary requirements by March 2019 to support the funding request of up to £200K.	£	Description – activities/resources	Why? The capability gap that it is addressing
	35,000	Provision of additional secretariat support in 2018/19	To provide support that is independent of public sector. Particularly to work with the new Chair. If support must be provided externally on financial and legal matters, then expenditure will be significantly higher.
	85,000	Provision of external legal and financial advice should it be agreed that there will be a change to the LEP boundary. Costs would be incurred in 2018/19 to look at how this could be progressed including discussing and drafting up any agreements and clarifying the financial arrangements. This would also be dependent on any government timescales.	Given the experience to date on the business transfer it is estimated that a budget of at least £200,000 would need to put aside should any changes be made to the LEP area. This would be to cover the business transfer agreement, clarifying financial position and novation of contracts from one LEP to another and from one accountable body to another. It is not felt this will be enough if for example the GCGP LEP area reduced by several areas. Part year cost included.
	80,000	Development of evidence base to produce a Local Industrial Strategy	To develop the findings and recommendations of the Cambridgeshire and Peterborough Independent Economic Review (CPIER) which require further evidence to scope and develop detailed policy proposals

	Total: £200,000	
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6. Provide confirmation that the Local Enterprise Partnership has a clear plan of activity to implement and communicate reforms in alignment with the LEP review policy statement.	The Business Board became operational on 24 September 2018. A template has already been produced to check compliance with the proposals in the Strengthened LEPs paper and what has previously been set out in the national assurance framework. This will be updated by the Assurance Manager and progress reported into the Board. When further information and guidance becomes available and the new national framework is published the template will be reviewed. Key documents will be published on the website following agreement by the Board and any significant changes or developments as a result of the reforms will be publicised.
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7. Signature of Local Enterprise Partnership Chair	Printed:
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Date	
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8. Signature from section 31 accountable local authority	Printed:
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Date	
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CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 1.11
26 SEPTEMBER 2018	PUBLIC REPORT

APPOINTMENT OF INTERIM CHIEF FINANCE OFFICER (S73)

1.0 PURPOSE

- 1.1 The purpose of this report is to ask the Board to appoint Karl Fenlon as interim statutory s73 Chief Finance Officer for the Combined Authority.

<u>DECISION REQUIRED</u>	
Lead Member:	Cllr Steve Count, Portfolio Holder Investment and Finance
Lead Officer:	Chief Executive
Forward Plan Ref: N/A	Key Decision: No
It is recommended that the Combined Authority Board appoints Karl Fenlon as interim s73 Chief Finance Officer to the Combined Authority	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1 Chapter 4 paragraph 1.5 of the Constitution states that the appointment of statutory officers is reserved to the Board. The Chief Finance Officer is a statutory officer of the Combined Authority and a 'proper officer' for this purpose.
- 2.2 The Employment Committee recommends the appointment of Karl Fenlon as the interim s73 Chief Finance Officer for the Combined Authority. Karl is a qualified accountant (FCMA) and is also FCT (Treasury) qualified.
- 2.3 Karl has extensive Board level and senior finance management experience, including as a Chief Finance Officer, with a commercial career in large public companies including fund management. He has also worked in the third sector.

- 2.4 The selection of Karl as the best candidate, was the result of a robust competitive process which was undertaken by an Employment Committee sub panel comprising of the Mayor, Deputy Mayor, Chief Executive and Portfolio Holder for Investment and Finance.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The funding for the role is within the existing budget. The salary of £149k is in line with market rates.

4.0 LEGAL IMPLICATIONS

- 4.1 The concept of a Chief Finance Officer was established by s.151 Local Government Act 1972. Any new authority, such as the Combined Authority, has a duty to establish a Chief Finance Officer role by virtue of s73 of the Local Government Act 1985. The responsibilities of the Chief Finance Officer for administration of financial affairs are set out in s.114 of the Local Government Finance Act 1988 and includes the duty to appoint a Deputy s.73 Chief Finance Officer.
- 4.2 The appointment of this role is reserved to the Board.

5.0 OTHER IMPLICATIONS

- 5.1 There are no equalities or other implications arising from this report.

6.0 APPENDICES

None

<u>Source Documents</u>	<u>Location</u>
Constitution Local Government Act 1972 Local Government and Housing Act 1989	Combined Authority website http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Combined-Authority-Constitution.pdf Legislation can be found on Government websites



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM: 1.12
26 SEPTEMBER 2018	PUBLIC REPORT

INTERIM ARRANGEMENTS FOR CHIEF EXECUTIVE

1.0 PURPOSE

- 1.1 To agree interim management arrangements following the resignation of Martin Whiteley, Chief Executive, Cambridgeshire and Peterborough Combined Authority (CPCA).

<u>DECISION REQUIRED</u>	
Lead Member	James Palmer, Mayor
Lead Officer	Karl Fenlon, Interim Chief Finance Officer
Forward Plan Ref: N/A	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <ul style="list-style-type: none">(i) appoint Kim Sawyer, Legal Counsel and Monitoring Officer, CPCA and John Hill, Chief Executive, East Cambridgeshire District Council as interim Chief Executives of the CPCA until 31st March 2019 (or until the appointment of a permanent Chief Executive, whichever is the sooner);(ii) appoint Patrick Arran as the CPCA interim Monitoring Officer until 31st March 2019 (or until the appointment of a permanent Chief Executive, whichever is the sooner).	

2.0 BACKGROUND/PROPOSALS

- 2.1 The previous CPCA Chief Executive, Martin Whiteley, resigned from his post effective from 1 October 2018. There is a requirement to provide interim arrangements prior to the appointment of a new Chief Executive. The timetable for the recruitment is currently being finalised, taking into account the proposed organisational review.
- 2.2 The interim Chief Executives (subject to recommendation ref: 1:1) will undertake a review of the operation and staffing of the CPCA to ensure it is 'fit for purpose' to take forward the delivery of the priorities of the CPCA.
- 2.3 It is proposed that Kim Sawyer and John Hill (under Section 113 Local Government Act 1972) are appointed as joint interim Chief Executives for the period up to appointment of a permanent post holder. This provides CPCA with a degree of continuity and effective use of resources.
- 2.4 As Kim Sawyer is currently the CPCA Monitoring Officer, legislation does not allow a joint role therefore Patrick Arran will be appointed as detailed in paragraph 1.1.

3.0 FINANCIAL IMPLICATIONS

- 3.1 The cost of these interim arrangements up to 31 March 2019 are estimated at £81,000 including on costs. This includes a payment of £43,547 to East Cambridgeshire District Council and acting up allowances of £28,908 (plus on costs).

4.0 LEGAL IMPLICATIONS

- 4.1 Under s.4 Local Government and Housing Act 1989 the Combined Authority is required to designate one of their officers as a Head of Paid Service. This is a statutory post with the duties set out in Section 4 (3) of the 1989 Act which include reporting, (where they think it appropriate) on the coordination of the discharge of the Council's functions, the number and grades of staff required, the organisation of staff and their appointment and proper management. This designation is held by the Chief Executive.
- 4.2 This proposal is for the role of the Chief Executive to be delivered jointly under interim arrangements, as set out in this report, pending the appointment of the permanent Chief Executive. The designation of Head of Paid Service falls to Kim Sawyer with support provided by John Hill as joint Chief Executive.
- 4.3 The Council's general power to appoint staff is set out in Section 112 Local Government Act 1972.

5.0 OTHER IMPLICATIONS

- 5.1 There are no equalities or other implications arising from this report.

6.0 APPENDICES

6.1 None

<u>Source Documents</u>	<u>Location</u>
N/A	N/A



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.1
26 SEPTEMBER 2018	PUBLIC REPORT

HOUSING STRATEGY

1.0 PURPOSE

- 1.1 Across the Combined Authority there is a target to build at least 100,000 new homes, including 40,000 affordable new homes and to accelerate their delivery by 2037.
- 1.2 The Housing Strategy being proposed seeks to address current and potential future housing challenges facing the area, both in the next few years and the longer term.
- 1.3 To support this, last year the Combined Authority received a commitment from central government for the receipt of £170m to bring forward 2,500 homes by March 2022. £70m is allocated to Cambridge City Council to deliver 500 additional affordable homes, the balance of £100m is allocated to the rest of the Combined Authority area to deliver an additional 2,000 homes. We will work with partners to deliver on this ambition.
- 1.4 The Combined Authority will provide strong leadership and use the additional investment and flexibility afforded through devolution to do this. We will take a strategic and collective view and make the necessary interventions and investments that will deliver the homes that are needed for the future success and prosperity of our communities.
- 1.5 The housing strategy will need to sit alongside the wider Combined Authority Investment strategy which is currently being developed.
- 1.6 In this context, the purpose of this report is to ask the Board to agree the approach to proceed with delivering the Housing Strategy for Cambridgeshire and Peterborough.

<u>DECISION REQUIRED</u>		
Lead Member:	Portfolio Holder for Housing and Chair of Hosing and Communities Committee	
Lead Officer:	Roger Thompson, Director of Housing and Development	
Forward Plan Ref: 2018/09	Key Decision: Yes	
<p>The Combined Authority Board is recommended to:</p> <p>(a) Agree the approach to delivering the Housing Strategy set out in the 31Ten report in Appendix 1</p> <p>(b) Agree the concept of creating a revolving fund of monies from within the £100m programme for housing investment, to run within and beyond the 5 year programme</p>		<p>Voting arrangements</p> <p>Simple majority</p>

2.0 BACKGROUND

2.1. The housing system faces a number of challenges that impact economic growth, social well-being and public service delivery:

- (a) Historically in most areas nationally, housing delivery has not kept up with demand. Most houses have traditionally been newly constructed, so the number and rate of new build properties is crucial.
- (b) Housing is barely affordable for many people.
- (c) Communities and housing schemes are not habitually designed to support the diverse aspirations of communities, healthy living and healthy ageing.
- (d) Large housing schemes controlled by national house builders tend to deliver a similar type of housing product for which there is a maximum demand or profit margin in a particular locality. They control supply, with the principal objective being to maximise profits.

2.2. The £170m investment to March 2022 is a much-needed intervention that will benefit thousands of residents. The challenges we will face over the next few years and beyond will require a fully flexible and at times bold approach.

2.3. With an aspiration to deliver 40,000 affordable homes over the next 20 years. The 2,000 affordable homes from the £170m programme will make a significant contribution, but will not meet all anticipated need in the next few years.

- 2.4. The Housing Strategy has been developed alongside consultants 31Ten who have provided a comprehensive Housing Strategy report, attached in Appendix 1.
- 2.5. As referred to in the 31Ten report (Appendix 1, page 17) market rents and house prices across the region are generally high when compared in proportion to local incomes, resulting in high levels of rental deprivation across much of the region and difficulty for average or lower income earners being able to afford to purchase their own homes.

3.0 THE HOUSING STRATEGY

Issues in the Creation of the Housing Strategy

- 3.1. According to the recent Sir Oliver Letwin report (interim) into the rate of build in the housing market, without greater competition between developers or other market interventions, it is unlikely that 'build out rates' (the rate at which homes are built) will increase.
- 3.2. There is also existing and potential skills shortages, Letwin highlights a shortage of bricklayers, with 15,000 being required. The Royal Institution of Chartered Surveyors said 40-60% of construction employers had shortages in professions and trades.
- 3.3. Letwin indicates that the key driver of build out rates by the major housebuilders is the 'absorption rate', the rate at which new homes can be sold without affecting market prices. This is determined and at times limited by the limited type and tenure of houses being developed and the fact that there are limited opportunities for rivals to enter large sites and compete by offering different unit types and tenures.
- 3.4. Letwin considered forcing housebuilders to build houses more quickly or reduce prices that they sell homes at. However he concluded that this would create serious problems for the housebuilders, potentially the wider housing market and wider economy.
- 3.5. Letwin looked at smaller and mid-size sites and found that homes tended to be built faster, often by regional rather than national developers. However, he highlighted that this should not be pursued at the expense of breaking up larger sites.
- 3.6. Letwin's preferred option is the creation of a wider variety of the types of houses and tenures on each site to widen the market and pool of potential end users. This call for diversity is one of the strongest messages from his interim review.
- 3.7. Letwin frequently found that the demand for social and affordable housing was virtually unlimited in most of the locations he visited.
- 3.8. The Savills Housing sector survey 2018 indicated that the main priority for the sector should be delivering new homes rather than managing existing stock.

Key housing demands are particularly from working households, vulnerable households and homeless.

- 3.9. The Savills survey indicated that the biggest challenge to housing associations was considered to be access to land. 86% responded that this was in their top 3 barriers to building new homes, with 45% advising that this was their number 1 barrier.
- 3.10. The Savills survey indicated that lack of subsidy or grant was an issue for 54% of respondents, with 22% making this their number 1 barrier.
- 3.11. Access to finance was an issue for only 20% of respondents, less than market risk 27%, organisational capacity and skills 30%, construction industry capacity 30% and government policy 24%.
- 3.12. Housing associations have been looking to partnerships in order to increase their firepower and skills to secure additional access to land. An example of this in the Combined Authority area is the emergence of EVERA, a partnership of 4 Housing associations in order to bring larger and more challenging opportunities to market.
- 3.13. The Savills survey indicated that housing associations are intending to deliver a mix of affordable rent, social rent, shared ownership and market sale units in the next few years. Approximately 60% of survey respondents indicated an intention to develop market sale units.

Key Objectives and Principles in the Creation of the Housing Strategy

- 3.14. To accelerate housing delivery to support Economic Growth.
- 3.15. To create Prosperous Places where people want to live.
- 3.16. To expand housing choices and opportunity through promotion of steps to promote home ownership using alternative tenure structures, potential starter homes and more shared ownership schemes.
- 3.17. Promoting all Housing (not just affordable) that is in addition to the existing development pipeline and encourage accelerated delivery within adopted local plans.
- 3.18. Be creative, in using a range of financial delivery mechanisms that have not traditionally been a method through which public sector organisations have supported and delivered housing. This aims to create a revolving fund that will outlast the £170m programme that will help to meet the longer term target of an additional 100,000 homes by 2037.
- 3.19. An ambition to deliver 40,000 affordable homes within the same time period, to help address the affordability of housing, particularly for key workers, first time buyers and those in low and medium paid employment who cannot easily access the home ownership market without family or other third party support.

This will support more sustainable communities.

- 3.20. To support the spread of Community Land Trusts (CLT's) which support their local communities.
- 3.21. Ensuring that housing supports the most vulnerable by offering increased choice and affordability for those requiring specialist care.
- 3.22. Supporting infrastructure to enable new housing schemes through a co-ordinated approach, particularly regarding transport by making strong links across strategies and projects within the Combined Authority.
- 3.23. Encouraging best use of all property assets, bringing homes that are currently excluded from the market back into market use and supporting the creation of new homes from existing built assets not currently in residential use.
- 3.24. To consider using the combined authorities borrowing powers to help to accelerate schemes using financial mechanisms as referred to in 3.27, where it aligns to the overall Combined Authority Investment strategy.

Key Components of the Overall Housing Strategy

- 3.25. Consider more direct action (Combined Authority to take an active investment approach), enabling action (Combined Authority distributing funds including loans, grants, infrastructure) and collaborative action (working with partners to support increased and accelerated delivery).
- 3.26. Patterns of transport infrastructure investment will signal opportunity and a need to be aligned to wider economic and property development initiatives. This includes potentially significant garden village housing opportunities that could offer a step change in the volume and speed of new houses of all types and tenure being made available in future years. This may include opportunities in strategic land and land value capture models that may help subsidize the infrastructure or additional housing.
- 3.27. The Combined Authority needs to be prepared to take the initiative on more direct interventions as typically referenced in the toolbox below and in the 31Ten report (See Appendix 4.2) and to take and manage the associated risks and returns from those activities.

A flexible multi toolkit approach



3.28. With an entrepreneurial spirit, along with well managed and selected investments, there is the potential over time for returns and profits to be re-invested into creating a larger and growing revolving fund with the capacity to magnify its impact on the market.

Strategy for the £100m Housing Fund to March 2022

3.29. With specific reference to our strategy for the future progress of the £100m fund to enable an additional 2,000 units, we are setting ourselves a target to achieve the 2,000 units through the provision of £60m of the £100m as direct grant. This is based on an average grant of £30,000 per unit. This mirrors the current average level of grant that has already been committed on the early wins schemes.

3.30. All future grants will have a clawback mechanism in the grant agreement, so that if scheme financial performance improves from the data in the original grant application, say for example by an increase in the final sales value of market units in a scheme, then an appropriate amount of the grant will be returned to the fund for future investment. For budgetary purposes, at this time we are making no allowance for any such clawback, so such re-payments will be treated as windfall funds as and when they are received.

3.31. Table 1 below shows our projected targets for starts of grant funded units and toolbox scheme units between now and March 2022.

Target Unit numbers and Grant Drawdown Projection for £100m fund					
	current	By 31.03.2019	Yr 2019/20	Yr 2020/21	Yr 2021/22
Grant Unit Numbers (per period)	289	211	600	500	400

Target Unit numbers and Grant Drawdown Projection for £100m fund					
	current	By 31.03.2019	Yr 2019/20	Yr 2020/21	Yr 2021/22
Grant allocated from £60m (per period)	£9.1m	£6.4m	£18m	£15m	£11.5m
Toolbox Investment Unit Numbers (per period)		158	75	120	150
Toolbox drawdown initial max £40m	£0m	£32m	£39.5m	£40.5m	£42m
Cumulative £100m Fund allocated	£9.1m	£46.93m	£72.93m	£87.93m	£100m
Cumulative Target Total Housing unit numbers	289	658	1333	1953	2503
Notes: Net Toolbox drawdown by 31.03.2019 of £32m potentially comprises Haddenham £6.5m loan, circa £2.5m for a 'pilot' office to residential conversion opportunity and £23M for future housing scheme loans. Yrs 2019/20 and beyond is an estimate assuming more new schemes alongside the commencement of re-payments from the first round of schemes back into a revolving fund, and no additional funding being provided from any other sources.					

3.32. We are suggesting that £40m of the £100m would be potentially allocated to a revolving fund to be invested into a variety of toolkit opportunities. This could potentially become part of a wider Combined Authority Strategic Investment fund.

3.33. If there are opportunities to increase the capital in this revolving fund, either from legacy projects like the Horizons infrastructure fund or additional lending if in line with the Combined Authorities overall investment strategy. We should positively consider this as it will enable more projects to be delivered.

Operational Criteria to be used in Decision Making of Grant Funding Applications

3.34. It is proposed that our approach to housing delivery and consideration of schemes being proposed to receive housing grant from the £100m will be assessed using the following criteria:

- (a) Amount of grant required per affordable unit (bearing in mind that the target rate is £25,000 per unit and the average budget rate we are setting is £30,000 per unit).
- (b) Prospects for the recovery and subsequent recycling of any of the grant upon completion of the development. This will add value for money and provide funds to invest again into more homes.
- (c) Confirmation from the applicant (and registered provider if not the same) of the affordable need that will be being met by the completed development.
- (d) Ensuring a reasonable geographic spread of schemes throughout the Combined Authority area. Previous data 'on need' indicated that every

part of the Combined Authority area currently has a need.

- (e) Satisfaction that a scheme is capable of being unlocked and delivered within the project timescale (understanding issues like land ownership, restrictions, planning, construction/contractor appointment, certainty of projected cost, third party consents required) as a result of the grant investment.
- (f) Extent of additionality (affordable homes enabled by grant and other units resulting from a scheme that becomes viable, that would otherwise not proceed without the grant).
- (g) Any degree of acceleration as a result of a grant.
- (h) Any other public subsidy being committed to a scheme.
- (i) The ability of the grant investment to achieve affordable housing compliant planning applications, especially where this may be a barrier to achieving a planning permission for a scheme at all.
- (j) Schemes that promote the small and medium sized enterprises (SME) construction industry within the Combined Authority region, helping to promote local employment and skills within the local work force.
- (k) Other community benefits, both on and off site.
- (l) An over-riding concept of achieving value for money and being fair in spreading some benefit across all the different geographies of the Combined Authority will be applied.
- (m) Consistency of the use of data within the application.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The £70m programme for Cambridge City Council is 'ring fenced' and being delivered by Cambridge City with drawdowns as their programme progresses.
- 4.2. To use approximately £60m of the £100m programme funds to deliver the target of 2,000 affordable homes to be started by March 2022. The balance of £40m to be used to invest into other financial mechanisms and toolkit schemes as part of a revolving fund which we will seek to gradually grow over time through astute financial investment to re-invest into more housing schemes.
- 4.3. To consider using the combined authorities borrowing powers to help to accelerate the number and volume of housing toolkit schemes as part of a revolving fund, but keeping that in alignment with the overall Combined Authority Investment Strategy that prevails at any point in time. The overall Investment Strategy should be cross referenced with the proposed Strategic Investment Fund (SIF) in the 31Ten Housing Strategy Report.

- 4.4. The legal implications needs to be approved by the Monitoring Officer

5.0 LEGAL IMPLICATIONS

- 5.1. Implementing the Housing Strategy will require the creation of a Combined Authority Devco and potential subsidiary companies for the different forms of intervention, activities and strategies being actioned. For example; 'Infrastructure Co' for the delivery of infrastructure to enable housing schemes, 'JV Co' for joint ventures, 'Lending Co' for loan activity etc...
- 5.2. Further work is currently underway to review the requirements for the incorporation of the appropriate Devco company or companies to support the anticipated toolbox activities.

6.0 GOVERNANCE AND CONTROL

- 6.1. The £100m programme and Cambridge City £70 programme will be controlled and monitored by the CPCA Board.
- 6.2. Other 'toolbox' housing scheme activities will be controlled and monitored by the CPCA Board.

7.0 EQUALITIES & HEALTH AND SAFETY IMPLICATIONS

- 7.1. Any equalities or health and safety implications will be addressed as they arise in the implementation of the strategy.

8.0 NEXT STEPS

- 8.1. Undertake work required to understand and enable the creation of Combined Authority Devco and any necessary subsidiaries, to support the Housing Strategy in the most efficient and effective way
- 8.2. Report the next round of schemes being proposed for grant funding to October Board
- 8.3. Progress toolkit schemes and entrepreneurial opportunities to deliver Additional Housing, to report initial opportunities to Board before 2018 Calendar Year End.

9.0 APPENDICIES

- 9.1. Appendix 1: 31Ten CPCA Housing Strategy Report

<u>Source Documents</u>	<u>Location</u>
<p>Sir Oliver Letwin's independent review of build out rates – interim report published 25 June 2018.</p> <p>The Savills Housing sector survey 2018</p>	<p>www.gov.uk/government/publications/independent-review-of-build-out-draft-analysis</p> <p>www.savills.co.uk/research_articles/229130/246728-0</p>

CPCA

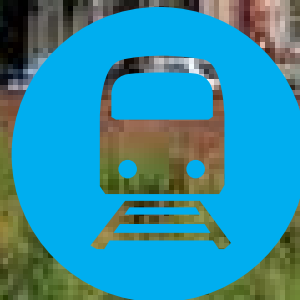
HOUSING STRATEGY

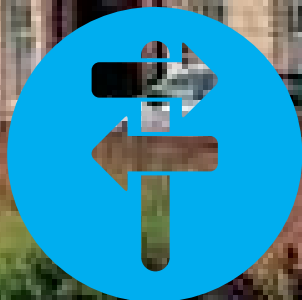
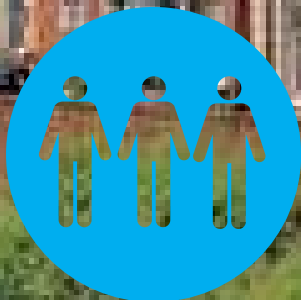
SEPTEMBER 2018



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

INNER CIRCLE
CONSULTING





FOREWORD

Mayor's approval of draft needed

CONTENTS

1.	CONTEXT	15
1.1	BACKGROUND	15
1.2	Housing Data Analysis	15
1.2.1	Population Distribution & Growth	15
1.2.2	Housing Market Areas	15
1.2.3	Housing Needs Analysis	16
1.2.4	Patterns of Market Housing Affordability	17
1.3	Locations	17
1.3.1	Economic Growth	17
1.3.2	Future Growth Corridors AND TRANSPORT HUBS	18
1.3.3	Strategic Sites	19
1.4	CONSTRAINTS	19
1.4.1	Development Viability	19
1.4.2	Flood Risk	20
1.5	Delivery Trends	20
2.	CPCA STRATEGIC RESPONSE	25
2.1	Accelerating Housing Delivery to Support Economic Growth	25
2.1.1	Developing a comprehensive Strategic Investment Fund	25
2.1.2	Integrating Transport and Housing – A Strategy for Investment	26
2.1.3	Strategic Land Acquisition	26
2.1.4	DIRECT DELIVERY OF NEW HOMES	26
2.2	Creating Prosperous Places Where People Want to Live	27
2.2.1	Masterplans and Growth Plans	27
2.2.2	Support for Garden Towns and Garden Villages	27
2.2.3	Design Innovation	27
2.3	Expanding Housing Choices to Meet A Range of Housing Needs	28
2.3.1	Targeting Affordable Housing Needs and SHMAs	28
2.3.2	Increasing Affordable Home Ownership – Community Land Trusts and the £100K House	29
2.3.3	CREATING BALANCED COMMUNITIES	29
3.	CONCLUSIONS AND RECOMMENDATIONS	33
3.1	Recommendations	33
3.1.1	Short term (within the next 6-12 months)	33
3.1.2	Medium term (within the next two to three years)	33
3.1.3	Longer term (from 2021)	33
3.2	CPCA Action Plan	34
4.	APPENDICES	39
4.1	Glossary of Terms	39
4.2	THE INVESTMENT TOOLKIT	41
4.2.1	The Toolkit	41

4.2.2	Striking a balance	41
4.2.3	Direct Delivery Tools	41
4.2.3.1	Equity Investment	41
4.2.3.2	Block Purchase Arrangement	42
4.2.3.3	Direct Development	43
4.2.4	Enabling Tools	44
4.2.4.1	Loan Guarantee	44
4.2.4.2	Senior Funder – Loan Agreement	45
4.2.4.3	Value Capture Mechanism – Charge over Land	46
4.2.4.4	Recoverable Grant	47
4.2.5	Collaboration Tools	48
4.2.5.1	Joint Venture	48
4.2.5.2	Viability Approach	49
4.2.6	The Sub Regional Application of Tools	50

EXECUTIVE SUMMARY

INTRODUCTION

The delivery of at least 100,000 more homes, and especially new affordable homes, is one of the key objectives of the CPCA. The scale of the ambition is significant and is rooted in the recognition that the region's remarkable economic growth requires new homes if the upward trajectory is to be sustained.

The region is very diverse, with three distinct economic sub-regions with differing economic challenges, driving different housing markets and housing market challenges. New housing growth has an important role to play in attracting both state and private investment, but that investment has to support not just the delivery of new homes (including new affordable homes) but also has to contribute significantly to the towards the transport and physical infrastructure that is a pre-requisite of housing growth.

The CPCA has ambitious targets for housing delivery. These are a mix of strategic ambitions – at least 100,000 additional new homes (including at least 40% new affordable homes) by 2036 – and short term delivery targets of at least 2000 new affordable homes by 2022, region wide, using £100 million of government grant, plus 500 new Council homes in a government grant ring-fenced for Cambridge City Council.

In order to achieve this, the Mayor, together with the partner organisations within the Combined Authority, has agreed the following key strategic objective for housing:

- To accelerate housing delivery to support economic growth,
- To create prosperous places where people want to live, and
- To expand housing choices to meet a range of housing needs across each of these objectives the CPCA's programme of intervention falls into three broad

areas:

- i. Direct Action, where the CPCA will take an active strategic investment approach to deliver new homes;
- ii. Enabling Action, where the CPCA will distribute funds including loans and recoverable enabling finance for the delivery of new homes by others, and;
- iii. Collaborative Action, where the CPCA will work with its partner authorities, housing agencies and the private sector to support increased and accelerated delivery by others.

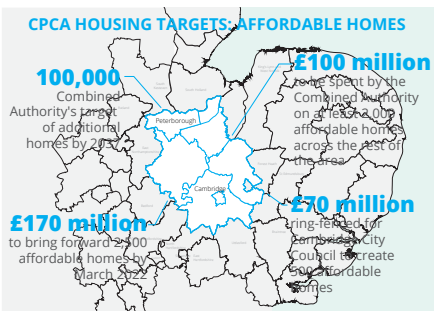


Fig 1: CPCA Housing targets
Source: CT brief No 35 May 2018/ ICC

SECTION ONE - CONTEXT

Section One of the report sets out the background and context for new housing delivery in the region. The CPCA and its partner authorities have a wealth of information and analysis about current housing markets, economic trends and locational data which has been used as the basis for this strategy.

Population Distribution and Growth - the population of the CPCA region is just under 850,000 and is expected to increase by 20% , to be over a million by 2036. The population is largely concentrated in the cities and market towns, with an additional relatively small rural population scattered over the area. 12% of the land area is developed. Household sizes are larger in the cities.

Housing Market Areas - the region is not homogeneous. There are currently two distinct housing market areas covering and stretching beyond the CPCA area. One is based on Peterborough and extends north to encompass parts of Lincolnshire; and one is based on Cambridge and stretches into west Suffolk. Additionally, there is an emerging significant new housing market area resulting from the intensive proposed growth of a million new homes planned for the Oxford-Milton Keynes-Cambridge corridor by 2050.

Housing Needs Analysis and Housing Affordability – There is a lack of up to date housing needs analysis across the region. However, there is a strong consensus that more affordable housing is needed across the region, and in some areas of high deprivation there is a distinct need for more social rented accommodation. Despite the lack of comprehensive data, there is proxy information on the affordability both of renting and buying a home. There is significant variation in sales prices across the region, with median prices in excess of £600,000 in central Cambridge, but as low as £180,000 in the north and east of the region. When correlated against net incomes, heatmaps illustrating the affordability of both renting and home ownership demonstrate significant areas where neither option is affordable to a sizeable proportion of residents.

Economic Growth - as with housing market areas, the region's patterns of economic growth are not homogeneous. There are three distinct economic sub areas, one centred on Peterborough, one centred on Cambridge and one centred on the Fens area. The growth corridors are intrinsically linked to existing transport links and proposals for new transport investment. Commuter patterns are driven by the current mismatch between affordable hous-

ing locations and jobs which is contributing to congestion.

Future Growth Corridors - patterns of transport investment and future strategic housing growth are grouped in four corridors, the East-West (North) corridor, the North-South corridor, the East-West (South) corridor and the Cambridgeshire Metro area corridor. One of the key functions of the CPCA is to ensure that transport investment and housing growth proposals are co-ordinated to support both environmental sustainability and the economic resilience of the key growth hubs.

Strategic Sites - the Non Statutory Spatial Plan (NSSP) sets out the key strategic locations for housing growth, which in turn are drawn from existing and emerging statutory local plans across the region.

Constraints - the viability of development varies considerably around the region, and the risks associated with development are similarly varied. Financial calculations are often opaque and understanding (and challenging) viability is often a block to delivery. Flood risk is another key constraint in the region, which affects both the initial cost of development and the risks involved for developers and homebuyers.

Delivery Trends - although more resilient than other parts of the UK, the scale and pace of housing delivery across the CPCA area has lagged behind existing planned growth. If the overall target in the devolution deal of 29000 new homes by 2022 is to be achieved the annual rate of build will need to increase by 160%. If the strategic target of at least 100,000 additional new homes by 2036 is to be achieved the annual build rates will need to increase by 54%. This clearly illustrates the scale of the challenge facing the CPCA, and the need for an ambitious and creative response.

SECTION TWO - THE CPCA'S STRATEGIC RESPONSE

Section Two sets out the new thinking and bold solutions that the CPCA intends to use to tackle the challenges set out above. In the short term, the CPCA has significant funds allocated to it from central government. These are set out in the Devolution Deal. £70 million over five years is ring fenced to support Cambridge City Council's Housing Revenue Account to ensure the delivery of 500 new Council Homes, while £100m housing and infrastructure funds over five years will help to deliver the start on site of at least 2,000 new affordable homes across the region.

It is this latter fund that will kick start the CPCA's innovative approach to delivery, enabling activity and collaboration, designed to capture recycled grants and establish proactive partnerships with public and private sector partners.

Key areas for intervention are as follows (grouped according to the Housing Strategic Objectives as set out above).

ACCELERATING HOUSING DELIVERY TO SUPPORT ECONOMIC GROWTH

Developing a comprehensive Strategic Investment Fund (SIF)

The most important strategic response that the CPCA can make is to establish a Strategic Investment Fund and a co-ordinated programme of cross subsidy of different schemes to enable a sustainable fund to operate over time. The key challenge for a fund of this type is to develop a balanced approach, with a risk profile ensuring that investments are repaid over time and profits recycled.

Integrating transport and housing - a strategy for investment

Financial returns from housing investment also have to help fund strategic infrastructure through the Community Infrastructure Levy and broader developer contributions. The CPCA needs to ensure that its investment strategy recognises the inter-relationship of housing and transport, and allows for the timely and sustainable provision of the infrastructure that will ensure that growth in the region creates a great place to live, learn and work.

Strategic land acquisition

The CPCA has an opportunity to purchase key sites, particularly where they unlock larger development opportunities, for example by enabling key infrastructure schemes. This area of activity will be enhanced if the CPCA acquires Mayoral Development Corporation status.

Direct delivery of new homes

The CPCA has the power to deliver homes directly, through a wholly owned company. This is likely to be a particularly important intervention in areas where viability issues or the prospects of poor short term financial return prevent or delay market led solutions from delivering to the scale and pace that the CPCA requires.

CREATING PROSPEROUS PLACES WHERE PEOPLE WANT TO LIVE

Masterplans and growth plans

The market towns are a key focus, not just for new homes but also economic growth, to spread the geographic availability of jobs around the region. The CPCA's market towns masterplans for growth initiative, piloted in St Neots in 2017, will demonstrate the scope for balanced and sustainable growth.

Support for garden towns and villages

The development of major new settlements such as Wisbech Garden Town and Waterbeach New Town will be critical to the achievement of the CPCA's housing ambitions, with transport initia-

tives upon which such settlements depend being a key aspect of the co-ordinated approach required.

Design Innovation

The CPCA can work collaboratively with its partners to strengthen design solutions to key issues, such as development within flood risk areas, water management, and innovative design for high density living.

EXPANDING HOUSING CHOICES TO MEET A RANGE OF HOUSING NEEDS

Targeting affordable housing – housing needs analysis and SHMAs

If delivery against the CPCA's ambitious targets for affordable homes is to meet local needs, the CPCA should lead a collaborative effort to update housing needs data, and to maintain that data on a 3 year cycle. Similarly, a co-ordinated approach to Strategic Housing Market Area assessments (to support the NSSP) should be adopted and a common methodology applied.

Increasing affordable home ownership – Community Land Trusts and the £100K house

One of the Mayor's key ambitions is to extend options for genuinely affordable home ownership. CPCA is supporting the CLT at Haddenham in East Cambridgeshire where there is scope for residents, typically on incomes of £16,000 to £25,000 to rent affordable units while saving for a deposit to buy a home. A further iteration of this is to develop discounted market sale homes, with property values capped at £100,000 at first sale and profits made thereafter to be shared between the CPCA (as developer) and the initial purchaser. A £100,000 home would make home ownership accessible to a much larger proportion of residents across the region.

Creating balanced communities

As with the £100,000 home, there are a number of demographic

groups who are currently not well provided for by current housing provision, both in market or affordable tenures. The CPCA should look to support specific initiatives such as housing for older people, or development solutions which target young and/or single people, in appropriate locations.

SECTION 3 - CONCLUSIONS AND RECOMMENDATIONS

The scale of the challenge to deliver at least 100,000 additional new homes to 2036 is significant, and the development conditions in the region are similarly challenging in both their variety and their complexity. However, the CPCA's high ambitions match the scale of the challenge. There is a determination to seek wholly new solutions and a commitment to disrupt broken markets where these are holding back delivery.

At the same time, the CPCA is committed to working with partners and stakeholders. A comprehensive and co-ordinated approach is crucial, given the inter-relationship and inter-dependence of transport, economic and housing growth.

Innovation, and a long term, balance investment based approach will be the key to success. The CPCA will need to maintain its rigorous approach to economic and demographic analyses, to maintain up-to-date needs data, test different delivery models and apply these flexibly across the region, but it is operating at a sufficient scale to do this effectively and, with the continued support of central government and its partner agencies, it has the determination necessary to succeed.

RECOMMENDATIONS

Short term (within the next 6-12 months):

- Direct Action: The CPCA should establish a Strategic Investment

Fund, co-ordinating the requirement for investment in both housing and enabling infrastructure; and should develop a series of marketing documents to facilitate the engagement of investors, developers and delivery partners. A more detailed suite of toolkit guides, building on the tools outlined in appendix 2 of this strategy, should also be developed.

- Direct Action: The CPCA should establish a Wholly Owned Company to undertake the development and management of new homes in the region.
- Enabling Action: The CPCA should develop a comprehensive housing programme document or delivery plan, covering both detailed information for its short term housing targets, and scoping information for the longer term pipeline of known schemes and strategic sites. This will help to forecast delivery against targets and should include risk assessment and risk mitigation information.
- Collaborative Action: The CPCA should work with its constituent authorities to commission a comprehensive housing needs analysis, and to agree a common approach to Strategic Housing Market Area assessments, to inform both the NSSP and emerging statutory Local Plans and Supplementary Planning Documents.

Medium term (within the next two to three years)

- Direct Action: The CPCA should deliver innovation in the form of a robust financial model for the delivery of discounted market sale home ownership scheme, delivering homes for £100,000, targeted at low income working families. Ideally, this should include a pilot scheme, including mechanisms for recycling the initial subsidy into future developments or Community Land Trusts.
- Collaborative Action: The CPCA should develop, with its partners, a common approach to viability testing to provide certainty to the market and to strengthen

the technical response of small local authority planning departments across the region.

- Collaborative Action: The CPCA should develop, with its partners a series of design guides on aspects of housing which require innovative solutions, such as developing within areas of high flood risk, developing at high density and design solutions for specialist housing. These should build on and seek to extend the good practice that already exists around the region.

Longer term (from 2021)

- Direct and Enabling Action: The CPCA should move away from grant based forms of investment and should be managing all its interventions, including enabling actions, on a long term investment basis and return approach.
- Collaborative Action: The CPCA and its partners should bring all Statutory and Non Statutory spatial planning documents into a fully aligned suite, covering housing, transport and economic growth plans, enabling all planning authorities (included the CPCA, if it gains planning powers) to work together quickly and efficiently to speed up decision making.

INTRODUCTION

The delivery of many more homes, including many more affordable homes, is one of the key objectives of the Cambridgeshire and Peterborough Combined Authority (CPCA, the Combined Authority). Speeding up the pace of delivery and achieving a quantum step change is at the heart of the ambition of the Mayor, and all the partner organisations, who have focused their devolution deal with Central Government on commitments to deliver at least 100,000 new homes, additional to those already planned, and to ensure that 29,000 new affordable homes are delivered by 2022.

STRATEGIC GOALS

The CPCA's ambitions for the region and its residents, set out in the 2030 Strategic Framework, are as follows:.

- Access to a good job within easy reach of home
- A workforce for the modern world founded on investment in skills and education
- The UK's capital of innovation and productivity
- Healthy, thriving and prosperous communities
- A high quality, sustainable environment

The scale of the ambition is significant, and it is firmly rooted in an understanding among the partner authorities and organisations that the region's continuing remarkable economic growth requires new homes to support its continued upward trajectory. Without new homes, there is a danger that much needed employees will be "priced out" of the region, or (as in London and the South East) will be forced to commute longer and longer distances to work. This creates traffic congestion and overcrowding on public transport, with consequent lost productivity and a negative impact on the very qualities which have previously

made the region so attractive to economic investment. The housing and economic growth are intrinsically bound together – if housing supply cannot keep pace with the regional economy, the economy will falter.

But the economic growth pattern is complex. One of the features of the CPCA area is its economic diversity – there are at least three distinct economic sub regions, with economic growth hotspots concentrated on Peterborough, Cambridge and Huntingdon, with less economically vibrant areas in the north and east of the region. Many of the market towns require investment in both transport and housing to boost their local economies, not simply to support existing economic success. This will require finely balanced investment decisions. New housing growth has a major role to play in attracting state and private investment, but that investment has to support not just the new homes required, but also contribute significant sums towards the transport and physical infrastructure that is a pre-requisite of sustainable growth.

New market homes also have to help fund affordable homes – and this is one of the key challenges facing the CPCA region. Across the area, despite the pattern of economic diversity, one of the stark common themes is that of increasing unaffordability within existing housing markets. Affordability (or the lack of it) is driven by different factors – it may be rapidly increasing prices/rents in Cambridge and Peterborough, and relatively low wages in the rural north and east – but across the whole region a significant proportion of residents are currently being "failed" by existing housing market dynamics. New homes, whether to buy or to rent, need to be accessible to a greater proportion of local residents if the benefits of economic growth are

to be spread more evenly, not just among different income groups, but also more evenly around the region.

HOUSING TARGETS

The diverse needs of the region are reflected in the CPCA's targets for housing delivery. These are a mix of ambitions to be achieved over 20 years and hard commitments that have been agreed with Central Government to be delivered within the next four years, but they are all (rightly) challenging, and are set out in the graphic below.

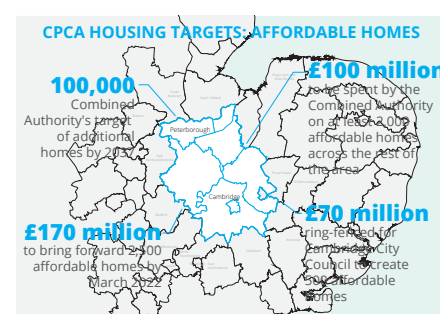


Fig 2: CPCA Housing targets
Source: CT brief No 35 May 2018/ ICC

The scale of both the challenge and the ambition requires urgent and decisive action by the CPCA to drive the changes required to deliver more homes, specifically more affordable homes to buy (including through shared ownership) and to rent, much more quickly. Among the six formal partnership local authorities, and partner organisations such as the Cambridgeshire and Peterborough Clinical Commissioning Group that it works with, the CPCA has a unique role. It is not a statutory housing authority; its role is more strategic and enabling, it can be more creative, and it can plan and act for the short, medium and longer term. It is essentially an authority that has been created to drive investment in the future, working strategically across transport, housing, infrastructure (such as flood mitigation measures) and community facilities to ensure optimum patterns of growth and development.

HOUSING OBJECTIVES

In recognition of this unique role, the Mayor, together with the partner organisations within the Combined Authority, have agreed the following key strategic objectives for housing:

- To accelerate housing delivery to support economic growth
- To create prosperous places where people want to live
- To expand housing choices to meet a range of housing needs.

Across each of these objectives, the CPCA's programme of intervention falls into three broad areas:

Direct actions: the CPCA intends to take an active strategic investment role, to undertake direct delivery of certain types of new homes, in certain locations (particularly where it is also delivering new transport infrastructure), and to invest in innovation.

Enabling actions: the CPCA is responsible for the consideration of applications for and distribution of housing enabling funds within the region, to secure best value; and it has the capacity to provide loans and equity investment to support increased and accelerated delivery of new homes by others.

Collaborative actions: the CPCA will work with its partner authorities, agencies and the private sector to tackle key areas where blockages occur, such as a collaborative approach to viability testing, ongoing research into housing markets and housing needs, and innovative delivery models and design solutions to issues such as development in locations with high flood risk.

STRUCTURE OF THE DOCUMENT

The focus of this strategy is identifying the types of interventions that the CPCA could make to boost the quantum of housing delivered in the region, the range of affordable housing

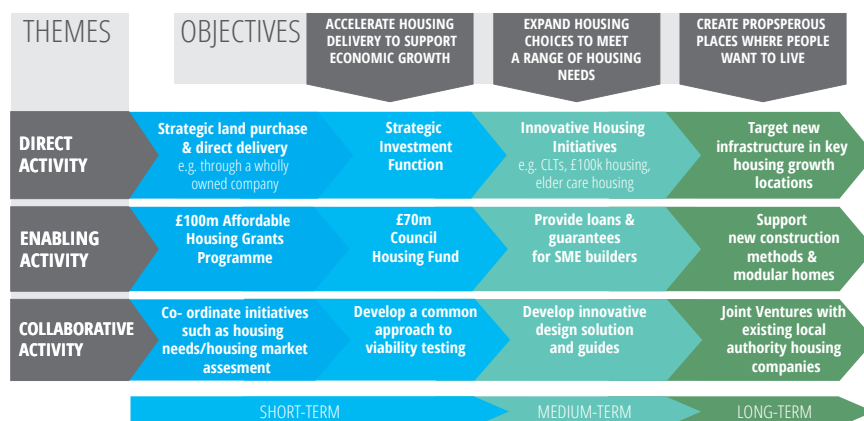


Fig 3: CPCA Housing themes and objectives/ Source: 31ten/ Inner Circle Consulting

types and the speed of housing delivery overall.

Part One – Context: this section sets out the background information and provides some analysis, looking at patterns of economic growth, the transport infrastructure that is required to support the growth, and some of the challenges, with data demonstrating housing affordability (across different tenures); housing development viability across the region; and factors such as flood risk and social infrastructure. The section will also look at delivery performance to date, to illustrate the scale of the step change that the Combined Authority must drive if the ambitions of all parties are to be achieved.

Part Two - CPCA Strategic Response: this draws from the background data and information analysis the key strategic housing interventions the CPCA will make, related to the housing objectives that have been agreed. These are high level interventions, in recognition of the strategic role of the CPCA. A number of case studies have been used to illustrate the interventions, drawing on successes already achieved and innovation proposed in the CPCA region.

Part Three - Conclusions & Recommendations: this draws together the key points of the previous sections and sets out recommendations, together with an action plan translating this strategy into a successful delivery programme. These include: a

delivery plan to support and accelerate the delivery of the CPCA's targets and ambitions as set out in the Devolution Deal, further work on specific proposals in the toolkit in collaboration with partners and investors (not least to inform the CPCA's forthcoming Non Statutory Spatial Plan and its Investment Strategy) and strategies for engaging with the market, both for delivery of market homes and a range of affordable homes.

Finally, there are appendices providing some further detail on specific issues. This includes a glossary of terms and a detailed CPCA Investment Toolkit: this sets out the toolkit of interventions, describing the different investment activity, enabling work and collaborative endeavours that are most likely to achieve the strategic objectives. These are described in detail, but it is important to stress that there is no 'silver bullet' or one size fits all solution. The patterns of investment likely to be required are varied and the challenges and opportunities are different. This strategy seeks to illustrate successful applications of some of these tools with relevant case studies and to make some initial assessment of the economic circumstances and spatial locations where the different tools are most likely to apply and succeed in future.

SECTION 1

CONTEXT





1. CONTEXT

1.1 BACKGROUND

1. The CPCA and its partner authorities and agencies have a wealth of information and analysis about current housing markets, economic trends and locational data. The CPCA's own research base and strategic analysis on transport, spatial planning and economic growth provides very recent information. Partner authorities have location specific information on needs analysis and local conditions, which vary significantly from authority to authority. There are also national data sets relating to house prices, income differentials and the scale and pace of new housing development.

2. The preparation of this strategy has not involved new research. Rather, it has brought together existing evidence and data, and has sought to analyse and interpret it to illustrate the challenges and the opportunities that the Combined Authority faces.

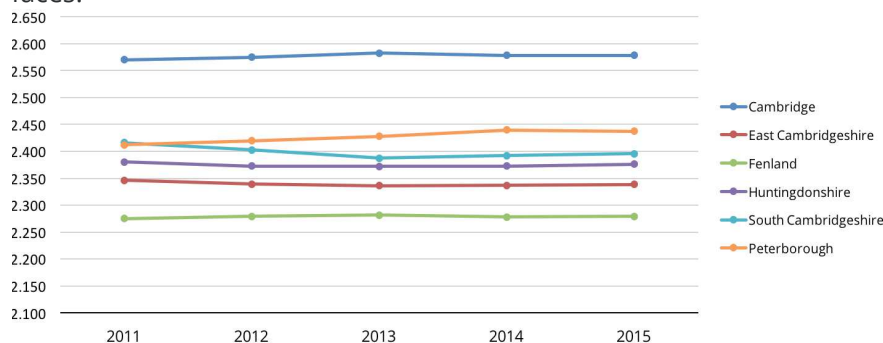


Figure 4: People per household (CPCA by district)/ Source: Cambridgeshire Insight/ 31 ten

3. The data is illustrative, it is not intended to be an exhaustive exploration of the very varied conditions that characterise the six authorities, or to make robust predictions about the future. Other documents and strategies will provide that, as part of the evidence base for the spatial strategy and the business cases for individual investments in transport, infrastructure and economic growth support. This section of the Housing Strategy provides an overarching synopsis, providing a basis for swift interventions to increase the scale and pace of housing delivery across the region.

1.2 HOUSING DATA ANALYSIS

1.2.1 POPULATION DISTRIBUTION & GROWTH

4. The population of Cambridgeshire and Peterborough (2016) is just under 850,000. With the economic and housing growth

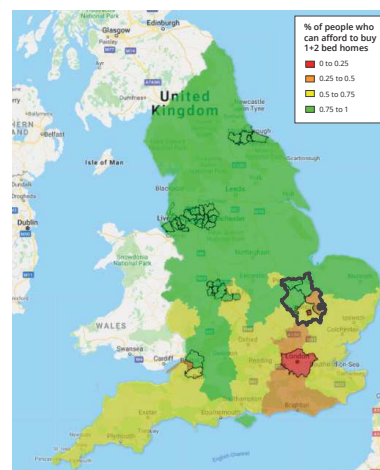
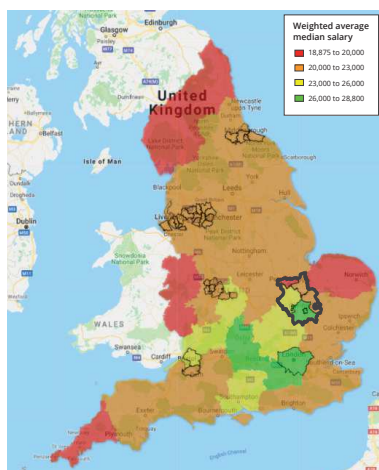
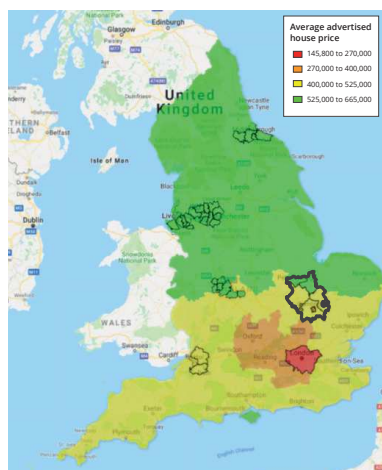
that is planned for the area, the population is predicted to increase by approximately 20%, and is expected to be over a million by 2036.

5. The population of the region is largely concentrated in the cities (Cambridge, Ely and Peterborough) and the ten market towns (Chatteris, Huntingdon, Littleport, March, Ramsey, St Ives, St Neots, Soham, Whittlesey and Wisbech). In addition, there are numerous villages and smaller communities. Currently, 12% of the CPCA area is developed.

6. There are variations in the population density across the region. Currently, household size in Cambridge is approximately 7% higher than elsewhere in the CPCA area, and within Cambridge this is particularly concentrated in the centre and west of the city.

1.2.2 HOUSING MARKET AREAS

7. The Combined Authority area is not itself a homogenous housing market area. Indeed, its lack of homogeneity makes it distinctive amongst all the city regions, almost all of which, while they face significant challenges, have greater uniformity of challenge. The graphic below illustrates (left to right) national weighted median incomes; the affordability of a 2 bed roomed property and advertised house prices, with the six city-regions outlined. The CPCA shares some characteristics with each of the other regions, but none of the



Figs 5- 7: CPCA Complexity maps/ Source: National Data set/ 31 ten

other five have the range of characteristics which constitute the challenges of the CPCA region.



Fig 8: Housing Market Areas
Source: Spatial Framework (Non Statutory) Towards a Sustainable Growth Strategy (2018)

8. This complexity is illustrated in the emerging Strategic Spatial Framework (non-statutory) "Towards a Sustainable Growth Strategy". There are currently two distinct Housing Market Areas operating in (and extending beyond) the Combined Authority Area, with Peterborough's Housing Market Area stretching north to encompass parts of Lincolnshire, and Cambridge's Housing Market Area stretching into West Suffolk. Furthermore, Central Government's first Housing Growth Deal has been made with the new corridor area of Oxford-Milton Keynes-Cambridge, which has an aspiration for a million new homes by 2050, suggesting that a new Housing Market Area stretching to the west of the CPCA Area is likely to emerge, with a number of new settlements proposed to incorporate these homes, together with linking transport infrastructure. Travel to work areas for the key economic hubs will vary, and sustainable growth requires that these are kept as compact as possible.

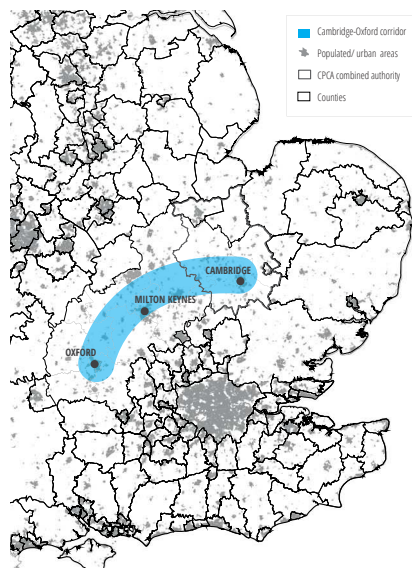


Fig 9: Oxford- Milton Keynes- Cambridge corridor/
Source: Cambridge, Milton Keynes and Oxford Future Planning Options Project (2017) by 5th Studio SQW/ ICC

9. Given this complexity and the sheer scale of the land area that the 2-3 distinct areas cover, trying to create a single Housing Market Area is unlikely to serve the Combined Authority well. Rather, it should seek to influence the Strategic Housing Market Assessments (SHMAs) (which form an essential element of individual statutory Local Plans) commissioned by the statutory planning authorities to ensure that they share common research approaches, and common timeframe, so that data can be reconciled, and housing development patterns tracked. This will be a complex matter to negotiate: not just the six local planning authorities within the Combined Authority are affected – additional authorities in Lincolnshire, West Sussex and along the Oxford-Milton Keynes-Cambridge Corridor should be approached to co-operate. However, the benefits of a strategic rather than a piecemeal approach are likely to be significant.

1.2.3 HOUSING NEEDS ANALYSIS

The CPCA's overarching strategic target for the delivery of 100,000 homes by 2037 includes within it the commitment that 40% of these should be affordable. Achieving this will be a challenge, because

existing models for the provision of affordable homes is flawed, but the target reflects the fact that there is significant need for social and affordable rented homes, but there are also significant gaps in provision. Figure 10 shows the current distribution of affordable homes.

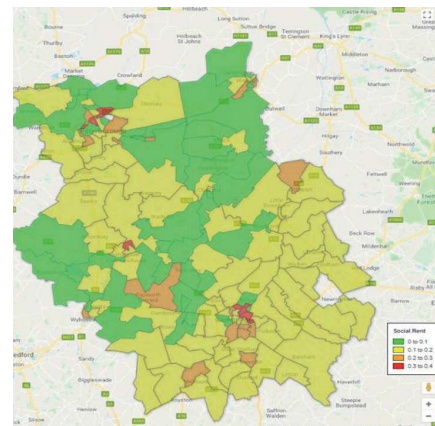


Fig 10: Social rent map
Source: National data set /31ten consulting

10. In particular, there are areas in the rural north of the CPCA region where there is a notable mismatch, with high levels of deprivation (reflecting lower levels of economic activity and growth, described in section 1.3 below) and much lower levels of social and affordable rented housing provision. There are also significant pockets of deprivation in the economic growth "hubs" of Peterborough, Cambridge and Huntingdon, where there is also an ongoing need for affordable (including social rented) homes.

11. However, while there is a strong consensus that more affordable rented (including social rented) housing is required, there is a major gap in useful, granular data on affordable housing need. Assessing in detail the targets required for different housing typology (family housing, housing for older people, housing for people with special needs) as well as housing tenure requires regular housing needs analyses which have not been prepared consistently for some years, due in part to the fact that the statutory requirement for informing housing targets is Strategic Housing Market Assessments, based on HMAs (see section 1.2.1 above).

1.2.4 PATTERNS OF MARKET HOUSING AFFORDABILITY

Affordability

13. The housing market across the area is a complex one, the significant variation in level of development, level of affordable housing and tenure type has been well evidenced and this is further illustrated when examining housing affordability. It is critical to examine this affordability from two different perspectives, the ability for residents, and potential residents, to afford to rent a home across the area and the ability for them to afford to purchase one. This section examines both.

14. Figure 11 demonstrates the significant variation in sales prices across the CPCA region. There are significant hotspots, such as in central Cambridge, where the median price achieved is in excess of £600k, whereas there are also vast areas, particularly to the north, where values are much more modest, transacting at £180k or lower.

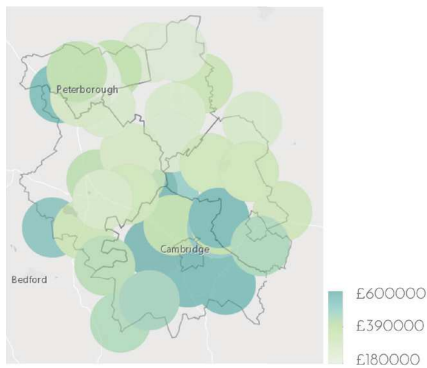


Fig 11: Median market sales prices
Source: www.home.co.uk/ ICC

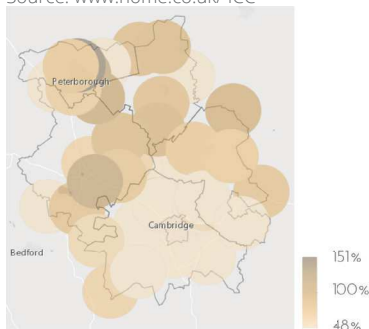


Fig 12: Market sales price in correlation with net income/ Source: www.home.co.uk/ ONS/ ICC

15. This information alone does not clearly demonstrate the affordability of these homes, however. To accomplish this it is necessary to map these values to the net income available to pay for housing¹ for residents in these areas. Figure 12 shows this affordability across the region.

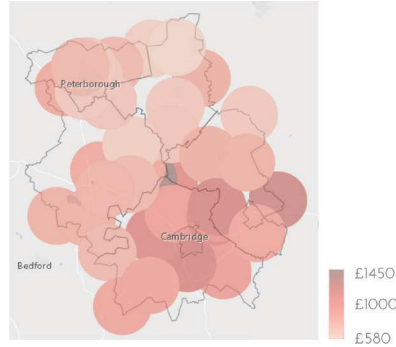


Fig 13: Median market rents
Source: www.home.co.uk/ ICC

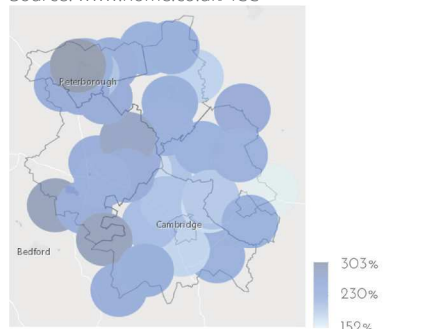


Fig 14: Market rents in correlation with net income/
Source: www.home.co.uk/ ICC

16. Fig14 illustrates how, at the peak rent affordability levels across the region, net incomes are currently able to pay the rent 3 times over, and at the lower levels of affordability (higher rents) net incomes are able to pay the rent 1.5 times over. However, this needs careful monitoring as the shortage of housing overall pushes rents up and thus puts pressure on affordability. This is a theme that is echoed across the country as the demand for rented housing continues to increase, but it is particularly acute for the CPCA region due to the projected increase in population.

17. However, this is data based on actual market rents across the region. It does not capture the significant minority of local people with incomes well beneath this level, who are in need of more affordable (probably non market) housing options. If the deprivation

¹ Defined as residents utilising 30% of their income being available for housing based on 1.59 average household size. Income is being used to pay for a mortgage up to 4.5 x salary / 20% deposit.

index (figure 15) is mapped to the region these areas of need are highlighted.

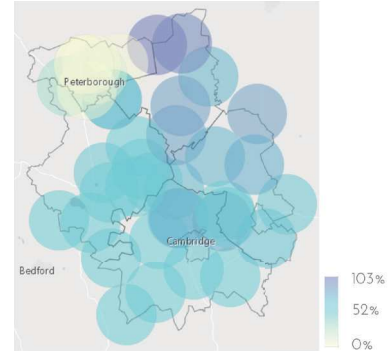


Fig 15: Deprivation
Source: ONS/ ICC

1.3 LOCATIONS

1.3.1 ECONOMIC GROWTH

18. As with the Housing Market Areas (see section 1.2.1 above) the Combined Authority is not a homogenous area with regard to economic growth. The interim report (May 2018) of the Cambridge and Peterborough Independent Economic Review (CPIER) identified three distinct economic sub areas within the CPCA area: one centred on Peterborough, one centred on Cambridge and one centred on the Fens area. Cambridge benefits from being the research and educational centre of an East-West corridor, while Peterborough stands at the top of a North-South corridor. These are shown in figure 16. The Fens area is distinctly more rural and manufacturing based economy, where growth is hindered by poor transport connections, but where pressure for housing growth is being experienced to accommodate those displaced by the high prices of housing in both the Cambridge economic area and the Peterborough economic area.

19. Housing and transport are intrinsically linked, and impacts/ improvements to one will affect the viability of the other. This is very marked in the Combined Authority Area, where economic demographics and housing markets are shaped by their proximity to the growth corridors.

The growth corridors are shown in fig. 17. The housing market and affordability all reflect the differing pattern and shape of growth within each corridor.

20. Fenland is essentially outside or on the edge of both the East-West and North-South corridors. As a result, housing demand and viability is based around affordability due to lower paid jobs and reduced ability to commute.

21. Peterborough is set on the upper part of the North-South growth corridor and as such the housing market is split between the needs and requirements of local workers and those who commute to higher paid jobs - resulting in a greater measurement of affordability due to lower prices versus higher

wages.

22. Cambridge is at the heart of a diverse housing market that faces demand from the education and research sectors. Demand, affordability and prices are determined by the need of this growth corridor to house its own workers.

23. Commuter patterns are also closely related to these economic hubs (as the housing market areas demonstrate). Commuter routes on both public transport and the road network are extremely congested and pressure is growing as people move further away from the centre of the hubs partly due to housing affordability. This creates an inherent risk to both environmental sustainability and the economic resilience of the key growth hubs.

1.3.2 FUTURE GROWTH CORRIDORS AND TRANSPORT HUBS

24. Patterns of transport investment and future strategic housing growth are grouped in four corridors, the East-West (North) corridor, centred on Peterborough and extending east to Wisbech and the Fens, the North-South corridor, extending from Cambridge northwards through Ely; the East-West (South) corridor, from Cambridge towards Bedfordshire and the Cambridgeshire Area Metro, encompassing the intensification of transportation around the City of Cambridge. The corridors are shown in figures 18 to 21. One of the key functions of the CPCA is to secure the necessary investment in transport and deliver those projects as quickly as possible, so that the housing growth is fully supported by additional capacity and does not add to congestion and therefore undermine both the economic resilience and the environmental sustainability of the region.

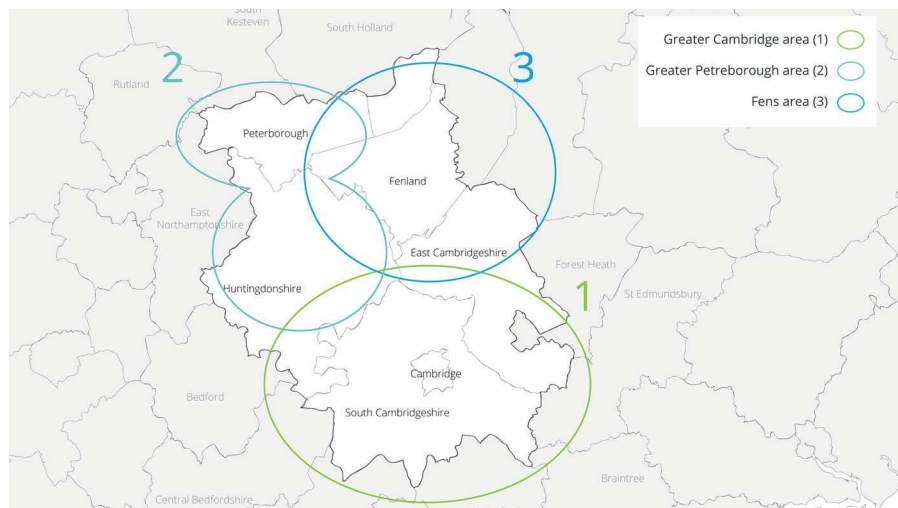


Fig 16: CPCA economic areas

Source: Cambridge & Peterborough Independent Economic Review - Interim Report (May 2018)/ ICC

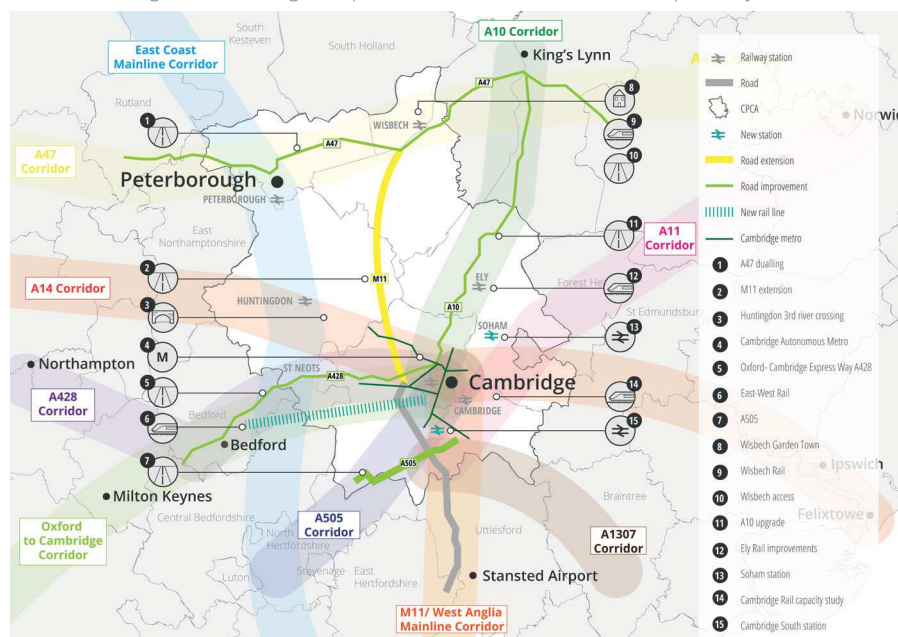


Fig 17: CPCA transport projects and growth corridors

Source: / ICC



Fig 18: East- West (North) corridor

Source: / ICC

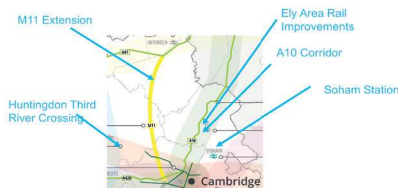


Fig 19: North- South corridor

Source: / ICC

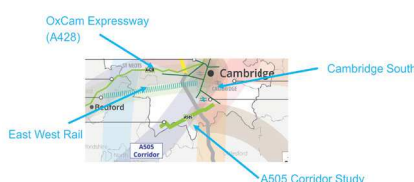


Fig 20: East- West (South) corridor

Source: / ICC

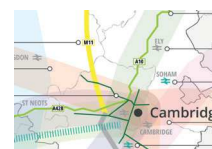


Fig 21: Cambridge Metro area corridor

Source: / ICC

1.3.3 STRATEGIC SITES

25. Aligned with these major transport improvements, strategic sites for growth have been identified in the Non Statutory Spatial Plan. They are already recognised in Local Plans for the area, and together they support the delivery of over 75,000 homes. Provided the transport improvements are delivered, these are the principal locations where significant housing growth can be supported, and where new homes are needed to support economic resilience and to stimulate further economic growth.

26. It can be seen from the Strategic Sites above that the delivery of new homes will take place largely through growth of

existing settlements. Each of the three cities of Cambridge, Ely and Peterborough and the ten market towns will be the focus of considerable growth, generally proportionate to their existing size and economic importance, but there is also scope for a smaller number of much more intensive growth locations.

1.4 CONSTRAINTS

1.4.1 DEVELOPMENT VIABILITY

27. One of the key constraints which affects the pace and scale of housing delivery in the Combined Authority area is development viability. As with patterns of

economic growth and housing affordability, the Combined Authority is not a homogeneous area – there are significant variations in viability across the region.

28. Viability is complex – there are many variables, so while there are distinct location trends, it is not simply that location X is viable and location Y is not.

29. A relatively simple explanation of whether a site is viable or not can be expressed as the following equation:

- Calculate the total value of the assets developed on a site (for example adding together the sales proceeds of all of the housing units, private and affordable, all of the commercial units and any other uses,
- Take away from this figure the costs of developing these units / uses (including the financing costs and appropriate profit to the developer / construction contractor)
- Take away from this figure the cost of the land, which will itself reflect specific conditions such as access, greenfield/brownfield, flood risk, and planning risks.

30. If the balance is 0 or above then, in broad terms, the development can be seen as viable. This is illustrated in Fig 23.

SITE	INDICATIVE NUMBER OF HOMES	TIMESCALE
Hampton urban extension	3,632	By 2036
Great Haddon urban extension	5,300	By 2036
Norwood	2,300	By 2036
Wisbech	2,300 (550 in Kings Lynn & West Norfolk)	By 2031
March	3,100	By 2031
Chatteris	1,400	By 2031
Ely (north)	3,000	By 2031
Littleport	1,850	By 2036
Soham	2,100	By 2036
Alconbury Weald	5,000	By 2036
Ermine Street (south), Huntingdon	1,050	By 2036
St Neots East (Wintringham Park and Loves Farm 2)	WP: 2,800/ LF2: 1,020	By 2036
Cambourne West	1,655/935	By 2031 Post 2031
Bourne Airfield New Village	1,360/2,140	By 2031 Post 2031
Northstowe	3,203/6,784	By 2031 Post 2031
Waterbeach New Town	2,300/6,700	By 2031 Post 2031
Cambridge North West (university site)	2,927	By 2031
NIAB (Darwin Green)	2,377/250	By 2031 Post 2031
Cambridge Northern Fringe East (AAP)	Potential for 7,600	Unknown
Cambridge East (north of Newmarket Road)	1,300	By 2031
Cambridge East (north of Cherry Hinton)	1,257	By 2031
Cambridge Southern Fringe	637	By 2031
Trumpington Meadows	996	By 2031
Glebe Farm, Clay Farm and Bell School		

Source: Cambridgeshire & Peterborough Strategic Spatial Framework

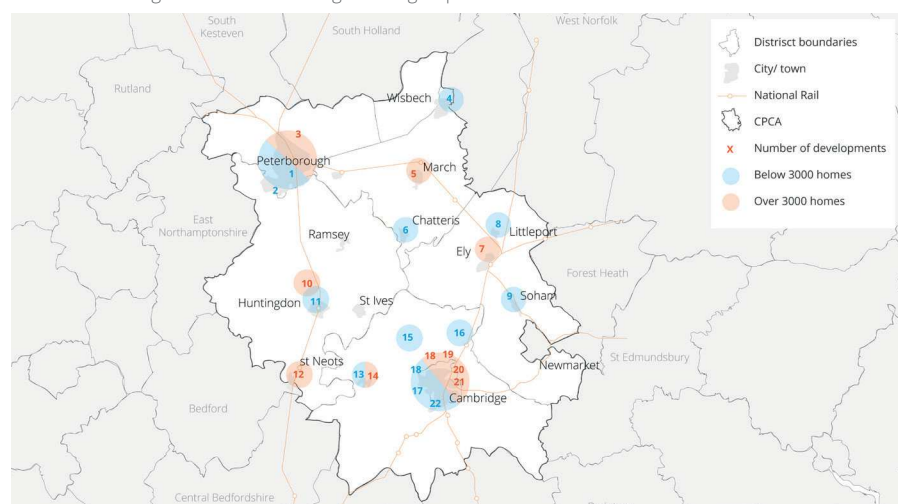


Fig 22: CPCA strategic sites

Source: Spatial Framework (Non Statutory) Towards a Sustainable Growth Strategy (2018)

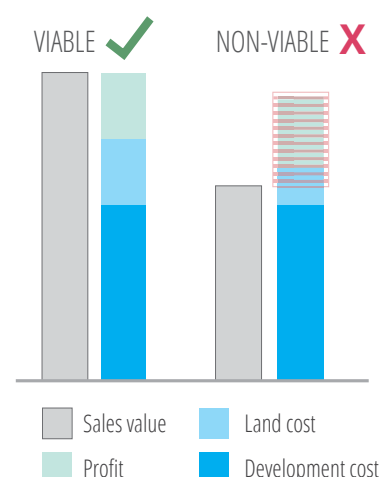


Fig 23: Development viability example

Source: 31Ten Consulting/ Inner Circle Consulting

31. There are further complexities to this equation relating to the timing of the costs and incomes detailed above: for example, if sales proceeds are realised a significant period after costs are

incurred then a site could be seen as unviable due to the lengthy payback on investment.

32. Moreover, because financial calculations are often at best opaque, there are undoubtedly examples of developers using viability calculations to argue for a reduction in affordable housing provision or to delay development. Even allowing for this, development viability is a challenge. Where costs genuinely outweigh income from sales, interventions will be required to enable development to come forward – such interventions can vary from changing the tenure mix to providing financial support through a number of different mechanisms.

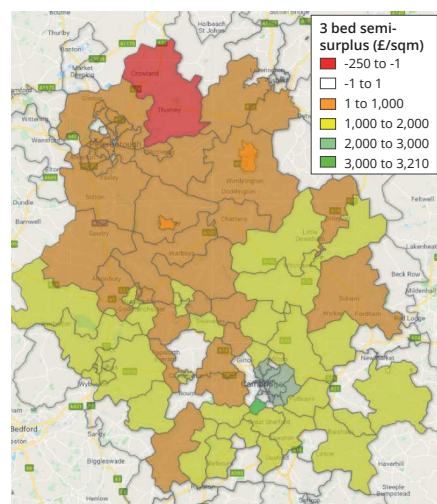


Fig 24: Development viability map
Source: National data set /31ten consulting

1.4.2 FLOOD RISK

33. One of the most significant physical constraints affecting the delivery of new homes is flood risk in the region. As the Environment Agency flood risk map shows, a significant proportion (34.5%) of the Combined Authority Area is in a major flood risk zone and this is particularly severe in the north and east of the region.

34. Development in flood risk areas is not impossible, but it is complex, and more expensive to deliver, partly because specialist design approaches are required. Because of the risks and additional costs of development, land values (and ultimately house unit prices) are affected. The areas of highest flood risk (in the fens) has had less development than further south,

where the flood risk is lower and land values are higher.

35. Since market led housing generally requires the developer to provide key infrastructure and to pay for flood risk mitigation measures, the viability of development and therefore the deliverability of homes is much more difficult to achieve.

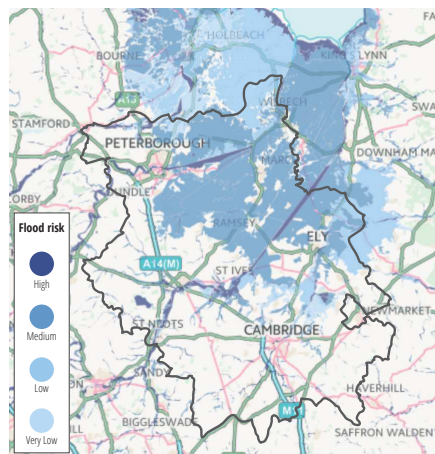


Fig 25: Flood risk map
Source: Ordnance Survey 2018

1.5 DELIVERY TRENDS

36. Given all the above issues, and the complexity which they describe, it is not surprising that the scale and pace of housing delivery in the Combined Authority area, while it is steady, (and remarkably consistent since 2003, which shows the resilience of the region overall – though there are significant differences between local authority areas); it is currently lagging behind existing planned growth. This highlights the extent of the challenge of the significantly increased ambitions for housing numbers that the Combined Authority and its partner authorities are looking to secure.

37. The graphs below illustrate the scale of the step change which the Combined Authority needs to drive if the targets it has adopted are to be achieved.

38. Figure 26 shows the trajectory of new homes delivery since 2003 and the rate of increase that will be required if the Devo Deal target of 29,000 new homes is to be achieved. At current rates

of delivery, an average of 5,300 new homes are being delivered annually, which, if that rate continues, will deliver only 13,100 units by April 2021 (a cumulative figure of 59,600). This would miss the target by some 16,000. Current build rates therefore need to increase by 160%.

39. Figure 27 shows the same trajectory/projections for the delivery of 100,000 new homes, again from a base of 2003. Based on current rates of delivery, only 66,100 new homes will be delivered by 2037 – a shortfall of 33,900. Current build rates for this target therefore need to increase by 54% to achieve the target.

40. These figures show the scale of the Combined Authority's ambition, but also the size of the challenge it faces. Moreover, the pattern of delivery shown in these diagrams is the combined data from across the region. There are wide variations in the rate of delivery in different parts of the region, with some areas facing challenges in development viability (particularly in the northern and eastern rural areas) due to lower land values, poor transport links, lower economic output and higher flood risk challenges. Across Cambridgeshire, only 11% of the pipeline of homes with planning permission have actually started construction, while in Peterborough the 2017 Annual Monitoring Report shows 8,188 homes with permission but where construction has not yet started (source: Cambridgeshire & Peterborough Strategic Spatial Framework).

41. A further important issue arises in connection with delivery rates. The new National Planning Policy Framework (NPPF) published July 2018 incorporates a significant change relating to the presumption in favour of sustainable development where the provision of housing is concerned. This makes it much harder for local planning authorities to resist development, even if is deemed inappropriate due to (for example) its location, lack of affordable housing

provision, lack of infrastructure provision, or density/design. Local planning authorities are likely to become much focused on ensuring they have up-to-date plans, and moreover, it should encourage a far more proactive approach to delivering against those plans.

CPCA – 100,000 Home Projection from 03/04'

- Solid Grey Line is Actual Figures thru 17/18
- Dotted Grey line is projections based on Actual Data rates
- Dotted Green line is projections based on 100,000 homes by April 2037
- 100,000 homes by April 37' would produce 146,500 Units since 03/04'
- Current projections would only produce 112,700 Units since 03/04'

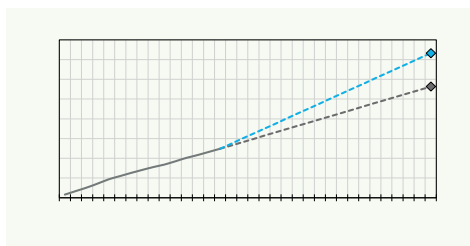


Fig 26: CPCA 100k home projection

Source: Ministry of Housing, Communities and Local Government (Local Authority P2 returns) /31ten consulting

CPCA – 29,000 Home Projection from 03/04'

- Solid Grey Line is Actual Figures thru 17/18
- Dotted Grey line is projections based on Actual Data rates
- Dotted Green line is projections based on 29,000 homes by April 2021
- 29,000 homes by April 21' would produce 75,500 Units since 03/04'
- Current projections would only produce 59,600 Units since 03/04'

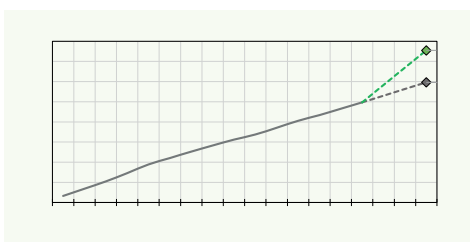
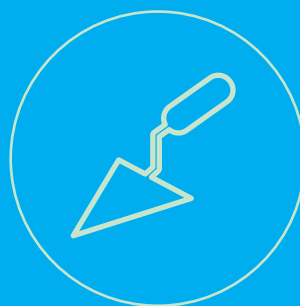


Fig 27: CPCA 29k home projection

Source: Ministry of Housing, Communities and Local Government (Local Authority P2 returns) /31ten consulting

SECTION 2

CPCA STRATEGIC RESPONSE





2. CPCA STRATEGIC RESPONSE

1. The CPCA has set a challenging agenda to drive forward housing growth, but a step change in both the pace and the scale of delivery across the region is required. The commitment and efforts of the Local Authorities, investors and developers, and housing Registered Providers across the area needs to continue, but this work needs to be supplemented by bold and innovative approaches to housing delivery and programming to enable the provision of strategic infrastructure to unlock development.

2. The CPCA was established to provide this new impetus, to understand the challenges to housing delivery, to identify solutions and to target investment in a strategic way that will facilitate the step change required.

3. In the short term, the CPCA has significant funds allocated to it from Central Government through the Devolution Deal New Homes Business Case to enable the delivery of affordable housing. These are split into two clear programmes (detailed within the Devolution Deal) as follows:

- £70m capital over five years ring fenced for Cambridge City Housing Revenue Account to meet housing needs – to ensure the delivery of 500 affordable homes; and
- £100m capital housing and infrastructure fund over five years to help deliver infrastructure for housing and growth – enabling the start on site of at least 2,000 additional affordable homes within five years."

4. The £70m programme is being administered by Cambridge City Council with the oversight of CPCA and is a traditional grant programme to enable the delivery of the 500 homes.

5. The £100m fund is designed to be a more wide-reaching regional funding programme that can utilise a variety of tools to enable the delivery of the target 2,000 homes and beyond.

6. As the Devolution Deal states the fund will utilise "new and innovate ways of working [to] drive further value out of the £100m" and that it is designed to "capture recycled grants" and "establish proactive partnerships with public and private sector partners."

7. It is with these goals in mind that the CPCA's housing toolkit is being developed, with longer term goals than the initial 2,000 affordable homes. The CPCA is seeking strategic interventions that will recycle its investment and enabling funds wherever possible, and attract the additional funds that will be required to enable the delivery of the CPCAs overall ambition 100,000 additional homes by 2037.

8. Given the importance of improving the rate of delivery to the success of the Combined Authority,

a detailed delivery plan should be prepared, setting out the key schemes and providing risk management information, together with proposals that can guide any potential intervention by the Combined Authority itself. This is particularly important for the new homes targets that the Combined Authority has agreed with central government but should also be extended to include the strategic, longer term interventions.

9. This Strategic Response identifies the key areas where the CPCA's unique opportunity for intervention could make a major difference. They are set out below, grouped according to agreed Housing Objectives.

2.1 ACCELERATING HOUSING DELIVERY TO SUPPORT ECONOMIC GROWTH

2.1.1 DEVELOPING A COMPREHENSIVE STRATEGIC INVESTMENT FUND

10. The most important strategic response that the CPCA can make is the development of a strategic investment fund (SIF). There is no doubt that there are investors who will find the region a highly attractive financial prospect; the role of the CPCA is to draw together the various opportunities and align those in an identifiable and understandable vehicle which in turn draws together various sources of funding available to accelerate the programme.

11. Through the application of a suite of tools at the CPCA's disposal (as explained in Appendix 2) a co-ordinated programme can be developed by the SIF to enable a sustainable fund to operate over time. By investing in a series of schemes through grant and investment mechanisms a cross subsidy approach can operate that will deliver financial returns over time whilst enabling schemes with viability and deliverability issues to be unlocked.

12. The challenge for a fund of this type is not how financial resources are sourced to invest: as shown in fig 28 below, the potential sources of this funding are many, ranging from prudential borrowing to private investment from institutional funders. The real challenge for a fund of this type is how investments are repaid and how capital is recycled. The range of tools that the CPCA has at its disposal have various ways that investments are repaid, from development profits to operational surpluses and tax increments. The SIF invests on the basis of a funding business case being developed that shows the profile of investment and return. These are then managed across a programme to assess the continuity and ensure re-investment of the fund alongside

accelerating the level of housing delivered.

13. A balanced approach will be essential. The CPCA, as a strategic public authority, has potential access to funding with a longer time frame for repayment, but its success in attracting funding (particularly private sector funding) will depend on a robust strategy for delivering financial benefits.

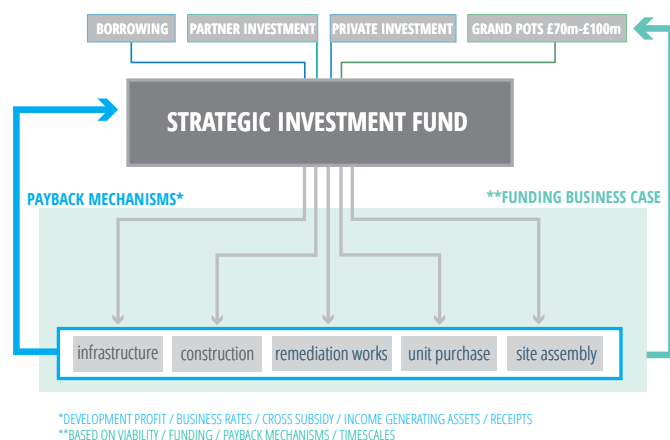


Fig 28: Potential sources of funding and investment return
Source: 31ten Consulting/ ICC

CASE STUDY: Croydon Council Revolving Investment Fund

Croydon Council established a Revolving Investment Fund (RIF) in 2015 that enabled investment through a number of tools into schemes within the Borough. These ranged from repayable grant to equity investment and enabled small schemes of less than 10 units to major infrastructure provision that supported large regeneration schemes. The fund is operating effectively and has invested into a number of schemes that are now delivering returns to the fund.

2.1.2 INTEGRATING TRANSPORT AND HOUSING - A STRATEGY FOR INVESTMENT

14. The step change in the speed and quantum of housing delivery that is required across the region is well evidenced. This growth is required in order to provide the necessary housing to accommodate predicted population growth, economic growth and the requirements of providing homes for the region's social challenges.

15. Housing across the region is also being asked to do more. It is not just about providing new homes. Housing growth is also seen as both a catalyst and delivery tool for further investment that is required across the CPCA area.

16. Financial returns from housing provision are being asked to help fund strategic infrastructure through Community Infrastructure Levy (CIL) and broader developer contributions. Key investments such as transport improvements and flood defence works will be reliant, as a part of their funding strategy, on significant contributions from the major

housing development schemes. As well as this the broader infrastructure required from housing growth also needs to be funded including education and health provision, as well as increased services required from local authorities, including schools, health facilities and leisure amenities.

17. The CPCA's suite of investment tools will be targeting not just the bricks and mortar in the form of new housing, but also all of the supporting infrastructure that make the region work, ensuring it is a great place to live, learn and work.

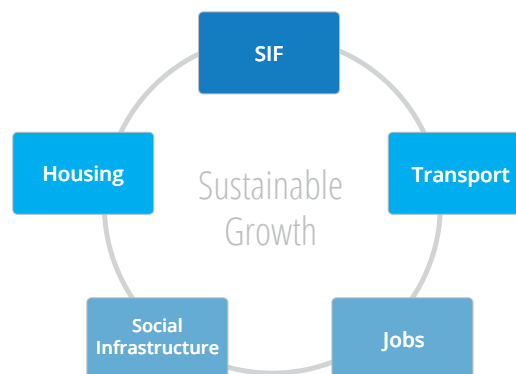


Fig 29: Housing and sustainable growth
Source: 31ten Consulting/ ICC

2.1.3 STRATEGIC LAND ACQUISITION

18. With a Strategic Investment Fund, and a strategy to support its deployment, a key intervention that the CPCA can make is the purchase of key sites, particularly where they unlock larger development opportunities (for example by enabling key infrastructure schemes). There is risk involved in land purchase, but a strategic public authority such as the CPCA can manage the risk by accepting a longer period before receiving a return, and can use land value capture to recycle the investment in the longer term. Some of these tools are detailed in Appendix 2 of this strategy. This is a key area of activity where the CPCA would benefit from gaining the status of Mayoral Development Corporation, because it could gain compulsory land purchase powers.

2.1.4 DIRECT DELIVERY OF NEW HOMES

19. As with direct purchase of land, the CPCA has the power to deliver homes directly, through a wholly owned company or companies, acting alone or in partnership with developers. Because the CPCA can take the long view on risk and a more pragmatic view on financial return, this is likely to be a particularly important strategic intervention where viability issues and a poor prospect of financial return prevent market led solutions from delivering to the scale and pace that the region requires. More information on the direct delivery of homes is set out in Appendix 2, and again, it is a key area of activity where the CPCA would benefit in some locations

particularly where new transport infrastructure is being considered, from gaining the status of Mayoral Development Corporation.

2.2 CREATING PROSPEROUS PLACES WHERE PEOPLE WANT TO LIVE

2.2.1 MASTERPLANS AND GROWTH PLANS

20. Another important area of strategic intervention that the CPCA should prioritise is the exploration of the potential for growth in the region's ten market towns. The Market Towns Masterplan for Growth Initiative was piloted in St Neots in 2017, to target investment and coordinate public and private sector activities. The purpose of the masterplan was to show how an increase in the rate of new housing delivery, alongside more local jobs, enterprise growth, and an increase in GVA, could benefit the existing community. The Market Towns Masterplan for Growth Initiative is being rolled out by the CPCA over the next eighteen months, which will seek to demonstrate how the significant planned housing growth (as set out in Section One) can be co-ordinated with economic growth initiatives and community benefits to create sustainable growth, and the prosperous and attractive places which the CPCA seeks to foster.

21. Urban extensions are another important element in achieving growth on the scale required in the CPCA region. Significant urban extensions supported by the CPCA are already underway at Northstowe, and at Alconbury Weald, a 575 ha site (principally former RAF land) outside Huntingdon, where a major new settlement is underway incorporating at least 5000 new homes and at least 8000 new jobs.

CASE STUDY: St Neots

In 2017, the St Neots master-planning process started with a diagnostic economic and social analysis of the market town's "DNA". A rapid 'sequencing' of local opportunities for growth were examined together with identification of the barriers that are preventing them from being achieved. The masterplanners worked with local stakeholders to establish a bold vision for growth and change. The analysis and vision formed the foundation for a clear and locally tailored set of interventions brought together in a practical Masterplan for growth for St Neots.

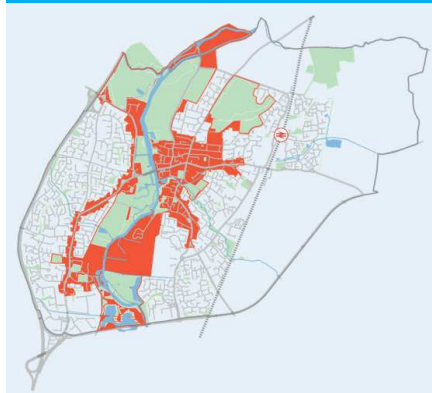


Figure 30: St Neots Masterplan
Source: Inner Circle Consulting/ St Neots Masterplan for Growth (2017)

2.2.2 SUPPORT FOR GARDEN TOWNS AND GARDEN VILLAGES

22. The development of significant new settlements is a major strategic task, which will be a critical area in which the CPCA can both take a lead, and support initiatives being developed by the partner local authorities. For example, the CPCA has been a major partner in funding Fenland District Council's Wisbech Garden Town initiative, it is also using the A10 Corridor study to bring forward the delivery of Waterbeach New Town by accelerating new transport infrastructure investment. Further investment in the planning and design of new settlements will be critical to the delivery of housing growth ambitions and the Non Statutory Spatial Plan will have a major role to play in identifying

the key locations and the infrastructure improvements that will be required to unlock their potential.

CASE STUDY: Kennett Garden Village

Building on the success of the Kennett Community Land Trust, a consortium (including the CLT) is seeking to develop a residential-led scheme with associated employment and community uses (including care home and/or sheltered housing) and new primary school with pre-school (nursery) facilities, supporting infrastructure and open space/landscaping. A key feature of the Garden Village will be the affordable homes, which will be owned and managed by the Kennett Community Land Trust and will be available for people on "local" (i.e. rural economy) wages.



Figure 31: Kennett Garden Village
Source:

2.2.3 DESIGN INNOVATION

23. There are a number of ways in which the CPCA could help bring forward development in locations where viability is challenged by the scale of investment that housing growth is required to deliver, for example in transport infrastructure or in areas requiring flood risk mitigation. The CPCA could invest in research and development, learning from other low lying areas (e.g. the Netherlands, the US south-eastern seaboard) and produce innovative design guides and flood risk mitigation measures. The Spatial Framework will make broad recommendations on appropriate

responses to flood risk management and other issues of environmental sustainability such as ground water conservation and the identification sustainable energy sources, but detailed design tools and development guides would provide practical assistance to developers who need to manage the scale of expenditure on planning and design (which is a major area of risk) and partner local authorities who cannot support the specialist knowledge within their own organisations.

CASE STUDY: Wisbech Garden Town- Phase 1

Fenland District Council, with support from the CPCA, has commissioned a flood risk analysis which will demonstrate how a proposed Wisbech Garden Town could be flood resilient, with a suitable flood management strategy for an early Phase 1 development area. Due to report in autumn 2018, the study is being undertaken by Dutch firm Royal Haskoning DHV, and includes live scenario testing and innovative approaches to long term water management. It is being funded in part by the Dutch government, who are keen to promote the further development of innovative engineering solutions. This type of collaborative, learning approach could be applied across the region.

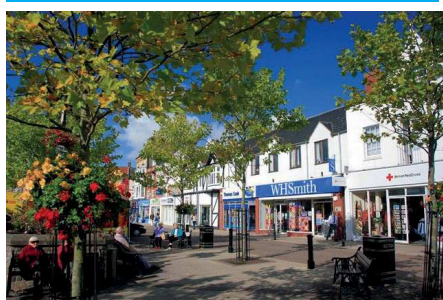
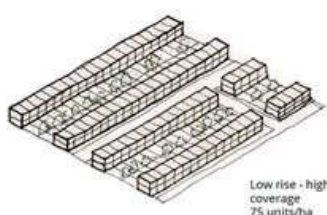
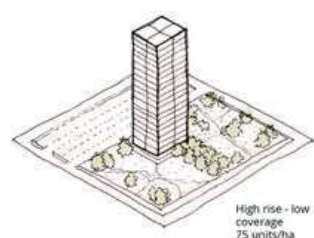


Figure 32: Wisbech Market Place
Source: CPCA

24. Similarly, the CPCA could support design innovation relating to higher density living. Achieving ambitious targets for housing growth will depend upon the successful implementation of higher levels of housing density than that achieved by traditional house typologies. Particularly where development is planned around new and improved transport links, the CPCA might

want to explore the use of a Public Transport Accessibility Level approach (as used by Transport for London) to promote higher density flatted accommodation in appropriate locations, but the success of higher densities is dependent upon design quality. A large body of design guidance already exists for delivering high quality, high density development but most of these are more easily applied to major cities such as London, Manchester and Birmingham, and achieving appropriate densities in historic cities such as Ely and Cambridge, or in smaller market towns, will be a more difficult task. A design approach commissioned by the CPCA and endorsed by the partner Local Planning Authorities could help to de-risk the planning process and thus encourage developers to bring forward developments. Figure xxx shows how different design approaches to density can deliver better placemaking.



Figures 33- 35: Design approaches
Source: Towards an Urban Renaissance/ ICC

CASE STUDY: North West Cambridge

NWC is a significant urban extension by the University of Cambridge, which is now implementing a scheme for the creation of 1,500 homes for university and college staff, 1,500 homes for private sale and accommodation for 2,000 postgraduate students, alongside community facilities, an hotel, and 100,000 sqm of academic, research and development space. It has already won a number of national planning awards, and its nursery and community centre has been shortlisted for the 2018 Stirling Prize for architecture. Building upon the success of such design innovation is an important opportunity for the CPCA.



Figure 36: Storey's Field Centre by McInnes Usher McKnight Architects
Source: www.nwcambridge.co.uk

2.3 EXPANDING HOUSING CHOICES TO MEET A RANGE OF HOUSING NEEDS

2.3.1 TARGETING AFFORDABLE HOUSING NEEDS AND SHMAS

25. The lack of up to date information about housing needs has been highlighted in section 1.2.3 above. If the CPCA target of 40,000 affordable homes is to meet local needs this data gap should be addressed, and this is one area where collaboration between the CPCA and its partner authorities would be particularly beneficial. A housing needs analysis that explicitly addresses demand for family housing

(and families are increasingly complex, with inter-generational and extended family structures needing housing solutions), housing for older people and people with special needs will inform the forthcoming Non Statutory Spatial Plan. It will enable the CPCA to direct financial support for affordable housing where it is most needed, and will inform the statutory Local Plans and Housing Strategies/30 year HRA business plans (where required) of the partner Local Authorities.

26. The CPCA, working with and on behalf of the partner local authorities, should commission a detailed Housing Needs Analysis and refresh it on a regular (3 year cycle). This information should be used both to help inform the direction of investment (to achieve the objective of expanding housing choices to meet a range of housing needs) and to assess success in meeting this objective.

27. Similarly, it is recommended that the CPCA uses the Spatial Framework (non statutory) evidence base to begin to co-ordinate Housing Market Assessments. Over time, it should encourage partner local authorities (and those local authorities outside the CPCA area but forming part of the HMAs) to move to a more co-ordinated approach to Strategic Housing Market Assessments. The emerging Oxford-Milton-Keynes-Cambridge corridor could form a useful pilot opportunity for a co-ordinated approach.

2.3.2 INCREASING AFFORDABLE HOME OWNERSHIP - COMMUNITY LAND TRUSTS AND THE £100K HOUSE

28. Appendix 2 sets out a range of tools available to the CPCA to deliver innovation and increase the range of new housing options available to local people. The approach to CLTs brings together a series of these tools including

equity investment through the SIF.

29. It also incorporates land value capture as the land on which the homes will be built lies outside the development envelope and the new market homes will essentially pay for the CLT units. The loans will be repaid to the Combined Authority, at an interest rate, meaning the SIF will be replenished with a development return.

30. CLTs target support to people who live and work locally. Those who are on low incomes, between around £16,000-£25,000, who are often not eligible for traditional social rent but who are also unable to get on the property ladder can qualify for CLT homes. This provides breathing space to save for a deposit to buy their own home, if they so wish.

31. The £100k house initiative is a further iteration of this. If the CPCA can deliver some discounted market sale homes, with properties capped at £100,000, these homes will be within reach of a much greater proportion of low income working people in this region, as figure 37 shows. As with the CLT approach, the investment risks and profits can be managed and recycled, but the CPCA can take a long term risk approach to get residents onto the property ladder.

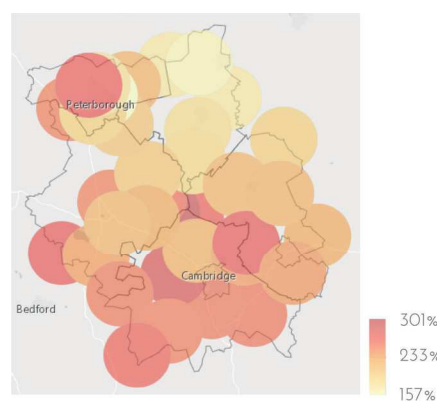


Fig 37: £100K per unit sales price in correlation with net income
Source (www.home.co.uk, ICC)

CASE STUDY: Community Land Trust / Haddenham, East Cambridgeshire

A programme of CLT schemes has commenced with the Haddenham, East Cambridgeshire CLT that is already being delivered. The CPCA recently provided a commercial loan of £6.5m into the CLT to enable the delivery of 60 homes, around 20 of which will be CLT affordable units for rent at approximately 60% of market rent. This is a significant early step in a programme of longer term 10 year loans of up to £40 million to bring forward 1,830 new homes across the region over the next 10 years, including 553 CLT affordable homes to rent.



Figure 38: Community Land Trust scheme - visual/
Source: www.palacegreenhomes.co.uk

2.3.3 CREATING BALANCED COMMUNITIES

32. A number of the strategic interventions that the CPCA can foster are about identifying economic groups who are being failed by current housing markets, whether those excluded from home ownership, those unable to access market rented accommodation or those who are pushed into ever longer commuting in order to access affordable housing (across all tenures). Planning for transport and economic growth alongside housing, undertaking masterplanning for the garden towns, developing design solutions for high density development and development in flood risk areas are all part of a journey that the CPCA and its partner organisations are taking towards the creation of balanced and sustainable communities.

33. Providing appropriate housing

for different demographic groups is part of this journey. Homes for older people is an area of increasing focus across the country, partly because appropriate and imaginative housing solutions can help older people to live independently longer, reducing the quantum of care required and helping public sector agencies to manage the increasing costs of an ageing population. Specialist housing for older people has an additional benefit in that it frees up existing, usually family, homes.

34. Developing solutions for young and/or single people is also an area where innovation is useful. A number of specialist developers in major cities are looking at collective living solutions, where small (usually private rented) units coupled with provision for communal living (such as communal leisure spaces, bookable guest suites, and bookable larger kitchen/dining areas for communal eating) can make a virtue of living at ultra high densities.

35. The CPCA region has a varied geography, vibrant emerging economic hotspots and well defined growth corridors with clear transport improvement plans. Encouraging specialist housing is one way to promote highly innovative but balanced and sustainable communities with a variety of different housing solutions.

CASE STUDY: Fizzy Living

Fizzy Living is the private rental subsidiary of Thames Valley Housing Association. While there are a number of similar commercial providers, and Fizzy Living itself is now a fully commercial operation, its origins are very much in the “affordable housing” sector. It has successfully developed a model of high density living, targeted at young professionals, with high density developments with on site management and services, generally in accessible locations around London. Partly in order to keep down costs, it has pioneered schemes in “regeneration” areas rather than central locations - such as Lewisham, Canning Town and Walthamstow, and is now branching out to more suburban areas such as Epsom.



Figure 39: Fizzy Living Lewisham apartments
Source: www.fizzylewisham.com

SECTION 3

CONCLUSIONS & RECOMMENDATIONS





3. CONCLUSIONS AND RECOMMENDATIONS

1. The scale of the challenge to deliver at least 100,000 additional new homes to 2036 is significant, and the development conditions in the region are similarly challenging in both their variety and their complexity. However, the CPCA's high ambitions match the scale of the challenge. There is a determination to seek wholly new solutions and a commitment to disrupt broken markets where these are holding back delivery.

2. At the same time, the CPCA is committed to working with partners and stakeholders. A comprehensive and co-ordinated approach is crucial, given the inter-relationship and inter-dependence of transport, economic and housing growth.

3. Innovation, and a long term, balance investment based approach will be the key to success. The CPCA will need to maintain its rigorous approach to economic and demographic analyses, to maintain up-to-date needs data, test different delivery models and apply these flexibly across the region, but it is operating at a sufficient scale to do this effectively and, with the continued support of central government and its partner agencies, it has the determination necessary to succeed.

3.1 RECOMMENDATIONS

3.1.1 SHORT TERM (WITHIN THE NEXT 6-12 MONTHS)

- Direct Action: The CPCA should establish a Strategic Investment Fund, co-ordinating the requirement for investment in both housing and enabling infrastructure; and should develop a series of marketing documents to facilitate the engagement of investors, developers and delivery partners. A more detailed suite of toolkit guides, building on the tools outlined in Appendix 2 of this strategy, should also be developed.
- Direct Action: The CPCA should establish a Wholly Owned Company to undertake the development and management of new homes in the region
- Enabling Action: The CPCA should develop a comprehensive housing programme document or delivery plan, covering both detailed information for its short term housing targets, and scoping information for the longer term pipeline of known schemes and strategic sites. This will help to forecast delivery against targets and should include risk assessment and risk mitigation information
- Collaborative Action: The CPCA should work with its constituent authorities to commission a comprehensive housing needs analysis, and to agree a

common approach to Strategic Housing Market Area assessments, to inform both the NSSP and emerging statutory Local Plans and Supplementary Planning Documents

3.1.2 MEDIUM TERM (WITHIN THE NEXT TWO TO THREE YEARS)

- Direct Action: The CPCA should deliver innovation in the form of a robust financial model for the delivery of discounted market sale home ownership scheme, delivering homes for £100,000, targeted at low income working families. Ideally, this should include a pilot scheme, including mechanisms for recycling the initial subsidy into future developments or Community Land Trusts.
- Collaborative Action: The CPCA should develop, with its partners, a common approach to viability testing to provide certainty to the market and to strengthen the technical response of small local authority planning departments across the region.
- Collaborative Action: The CPCA should develop, with its partners a series of design guides on aspects of housing which require innovative solutions, such as developing within areas of high flood risk, developing at high density and design solutions for specialist housing. These should build on and seek to extend the good practice that already exists around the region.

3.1.3 LONGER TERM (FROM 2021)

- Direct and Enabling Action: The CPCA should move away from grant based forms of investment and should be managing all its interventions, including enabling actions, on a long term investment and return approach.
- Collaborative Action: The CPCA and its partners should bring all Statutory and Non Statutory spatial planning documents into a fully aligned suite, covering housing, transport and economic growth plans, enabling all planning authorities (included the CPCA, if it gains planning powers) to work together quickly and efficiently to speed up decision making.

3.2 CPCA ACTION PLAN

TIMEFRAME	ACTION	DIRECT ENABLING COLLABORATIVE	OBJECTIVE(S) PRIMARY SECONDARY TERTIARY	EXPLANATION
Short Term (6-12 months)	The Strategic Investment Fund	Direct	<p>Accelerate housing delivery to support economic growth</p> <p>Create prosperous places where people want to live</p> <p>Expand housing choices to meet a range of housing needs</p>	<p>The strategy has laid out the primary importance of a Strategic Investment Fund (SIF) to increase the quantum and pace of housing delivery and to improve the range of housing options for local people.</p> <p>In order to engage with the market, and drive applications, it is important to undertake a series of activities to launch the fund, these include:</p> <ul style="list-style-type: none"> · Developing a suite of simple documents to publicise the SHIF and engage with the market, early drafts of these are included as appendices to this Strategy; · Undertake a series of launch events for the Fund with developers / land owners etc; and · Undertake ongoing engagement events to develop applications for relevant tools.
	A CPCA Housing Company	Direct	Expand housing choices to meet a range of housing needs	<p>The CPCA will be taking a more active role in the development and management of its own housing over the next 5 years. In order to facilitate this a new Housing Company is likely to be required in order to:</p> <ul style="list-style-type: none"> · Ringfence the activities to manage risk and focus on these activities; and · Exercise the powers to trade. <p>The CPCA is developing its approach to the Company. Once established, it can commence trading and a more detailed business plan can be prepared which will be aligned to the housing delivery programme, identifying key areas of activity and focus</p>

TIMEFRAME	ACTION	DIRECT ENABLING COLLABORATIVE	OBJECTIVE(S) PRIMARY SECONDARY TERTIARY	EXPLANATION
	A Comprehensive Housing Delivery Programme	Enabling	Accelerate housing delivery to support economic growth Expand housing choices to meet a range of housing needs Create prosperous places where people want to live	In order to meet the CPCA's challenging targets, a detailed Housing Delivery Programme is required. This Programme will identify immediately known gaps and provide a pragmatic operational delivery plan that details housing delivery over the short, medium and long term. It will include site by site analysis, including unit numbers, typology and tenure mix, and estimated timeframes plus risk assessment and risk mitigation to inform and drive CPCA's intervention where agreed and necessary.
	Undertake a CPCA wide Housing Needs Assessment	Collaborative	Expand housing choices to meet a range of housing needs	Housing needs analyses have ceased to be carried out in recent years, as the statutory requirement is for Strategic Housing Market Assessments (SHMA). A CA wide housing needs analysis would inform both the non Statutory Spatial Plan, and the local authorities' own Local Plans, and would provide robust information on affordable housing negotiations and decisions on recoverable grant applications.
	A CPCA common/standard approach to Strategic Housing Market Area assessments	Collaborative	Create prosperous places where people want to live Expand housing choices to meet a range of housing needs	There are at least two Strategic Housing Market areas within the CA region, and a developing third area in the emerging Oxford-Milton Keynes-Cambridge Area. These are distinct, but the CA needs to work with other local authorities in the CA and outside the CA to ensure that timescales for undertaking assessment are aligned, methodologies are consistent, and findings are co-ordinated.
Medium Term (within 3 years)	A financial model and demonstration scheme for 100K Homes	Direct	Expand housing choices to meet a range of housing needs Create prosperous places where people want to live	The CPCA should deliver innovation in the form of a robust model for the delivery of discounted market scale home ownership scheme delivering homes for £100,000, targeted at low income working families. Ideally, this should include a pilot scheme, including mechanisms for recycling the initial subsidy into future developments or Community Land Trust initiatives

TIMEFRAME	ACTION	DIRECT ENABLING COLLABORATIVE	OBJECTIVE(S) PRIMARY SECONDARY TERTIARY	EXPLANATION
	A CPCA wide viability approach	Enabling/Collaborative	Accelerate housing delivery to support economic growth Expand housing choices to meet a range of housing needs Create prosperous places where people want to live	A region wide consistent approach to the assessment of viability will provide certainty to the market, clarity to the Authorities across the region, and stability to foster growth in housing delivery. The approach, application and assessment tools need to be developed and agreed across the constituent Authorities and consulted on with the development market before being rolled out across the CPCA area.
	Develop a CPCA Design guide and design good practice assessment tool for future development	Collaborative	Create prosperous places where people want to live Expand housing choices to meet a range of housing needs	Given that most of the CA area is in high flood risk zones, the local authorities have a responsibility to assess developments for their flood risk response, and this causes significant delay and costs. A guide for developers on design and a toolkit for local authorities to assess those designs could speed up development
Longer Term (from 2021)	Investment only approach	Direct/Enabling	Accelerate housing delivery to support economic growth Expand housing choices to meet a range of housing needs Create prosperous places where people want to live	The CPCA should move fully away from grant based forms of investment and should be managing all its interventions, including enabling actions, on a long term investment basis.
	Alignment of Nssp and Statutory Local Plans	Collaborative	Accelerate housing delivery to support economic growth Expand housing choices to meet a range of housing needs Create prosperous places where people want to live	The CPCA and its partners should bring all Statutory and Non Statutory spatial planning documents into a fully aligned suite, covering housing, transport and economic growth plans, enabling all planning authorities (included the CPCA, if it gains planning powers) to work together quickly and efficiently to speed up decision making.

SECTION 4

APPENDICES

4. APPENDICES

4.1 GLOSSARY OF TERMS

WORD OR EXPRESSION	MEANING
Affordable Housing	Affordable housing is social rented, affordable rented and intermediate housing, provided to eligible households whose needs are not met by the market.
Affordable Rent	Affordable rented housing is a type of affordable housing let by local authorities or private registered providers to households who are eligible. Affordable Rent is subject to rent controls that require a rent of no more than 80 per cent of the local market rent.
Cambridgeshire and Peterborough Combined Authority (CPCA / Combined Authority)	The Combined Authority was set up in March 2017 and is made up of eight founding members across Cambridgeshire and Peterborough. It has a Mayor and is responsible for many elements of growth, housing and infrastructure across the region
Cambridge and Peterborough Independent Economic Review (CPIER)	An independent economic review across Cambridgeshire and Peterborough to articulate the case for greater fiscal devolution, demonstrate how the area delivers benefits across the UK and allow local stakeholders to unite behind a common strategy.
Cambridgeshire and Peterborough Clinical Commissioning Group	The CCG that covers the region with 101 GP practices as members responsible for planning and buying local NHS services as well as ensuring they deliver the best possible care and treatment for patients.
Community Infrastructure Levy (CIL)	The Community Infrastructure Levy is a planning charge paid by developers on new development to contribute to the strategic infrastructure needs of the area.
Community Land Trust (CLT)	Community Land Trusts are a form of community-led housing, set up and run by ordinary people to develop and manage homes as well as other assets. CLTs act as long-term stewards of housing, ensuring that it remains genuinely affordable, based on what people actually earn in their area.
CPCA Investment Toolkit	A toolkit of interventions that the CPCA can use that this document develops
Devolution Deal	In May 2017 powers, budgets and responsibilities were passed down from central government to the CPCA with a new directly-elected mayor. The Devolution Deal gave the terms of this transfer.
Equity Investment	An equity investment is an investment into a development / company. This investment is not returned in the normal course of the business. Investors recover it only when they sell their shareholdings to other investors, or when the assets are sold and proceeds distributed among them after satisfying the firm's obligations. A return on equity can be paid before this liquidation depending on performance.
Gross Value Added (GVA)	Gross value added (GVA) is the measure of the value of goods and services produced in an area, industry or sector of an economy.
Housing Needs Analysis	An assessment of housing need based on an evidence based analysis of the local area.
Housing Market Areas	Sub areas of the region that are driven by a set of similar characteristics such as travel time, migration patterns and neighbourhoods / house types.
Housing Revenue Account (HRA)	Local Government must account for the income and expenditure in relation to its own direct provision of housing separately from its other activities to ensure no cross subsidy occurs.
CPCA Housing Strategy	This document forms the CPCA Housing Strategy

WORD OR EXPRESSION	MEANING
Intermediate housing	Intermediate housing is homes for sale and rent provided at a cost above social rent, but below market levels subject to the criteria in the Affordable Housing definition above. These can include shared equity (shared ownership and equity loans), other low cost homes for sale and intermediate rent, but not affordable rented housing.
Loan Guarantee	A loan guarantee is a promise by one party (CPCA) to assume the debt obligation of a borrower if that borrower defaults.
Local Plan	The statutory plan for the future development of the local area, drawn up by the Local Planning Authority in consultation with the community.
Market Towns Masterplan for Growth	CPCA programme of nine Masterplans for Growth across the regions market towns aimed at them becoming 'vibrant and thriving places'.
Mayoral Development Corporation (MDC)	A vehicle established under the Localism Act for greater powers to be devolved to the Mayor including regeneration and planning.
National Planning Policy Framework (NPPF)	The National Planning Policy Framework sets out the government's planning policies for England and how these are expected to be applied. A new NPPF was published July 2018
Non Statutory Spatial Plan (NSSP)	A Spatial Plan is a set of documents that indicates a strategic direction for the development of a given geographic area. It states the policies, priorities, programmes and land allocations that will implement the strategic direction and influences the distribution of people and activities in spaces of various scales. A Non Statutory plan is voluntary in nature rather than required.
Section 106 Agreement	A Section 106 agreement is a legal agreement between a developer and a local planning authority about measures that the developer must take to reduce their impact on the community. A section 106 agreement is designed to make a development possible that would otherwise not be possible, by obtaining concessions and contributions from the developer. It forms Section 106 of the Town And Country Planning Act 1990 (as amended).
Senior Debt	Debt finance into a scheme that is often provided by banks. It carries an interest cost and is the first finance that is repaid out of development proceeds.
Shared Equity	A form of affordable housing in which the occupant is granted a share of the equity in the property, thereby enabling them to participate in the proceeds from resale. Occupants usually buy a portion of the equity by providing a portion of the down payment.
Shared Ownership	A form of affordable housing in which occupant of a dwelling buys a proportion of the property and pays rent on the remainder, typically to a local authority or housing association.
Social Rent	A form of affordable housing with the lowest rents. Social rented housing is owned by local authorities and Charitable Registered Providers, for which guideline target rents are determined through the national rent regime.
Strategic Housing Market Assessments (SHMA)	Strategic Housing Market Assessments (SHMA) are a requirement under national planning policy, and are a key part of the evidence required to ensure the delivery of the right amount of new homes that meet the needs of our communities, now and in years to come.
Strategic Investment Fund (SIF)	The revolving fund to be established as a part of the CPCA Housing Strategy.
Transport for London (TfL)	Transport for London is a local government body responsible for the transport system in Greater London.
Viability	The ability of a development project to meet its costs including the cost of planning obligations, while ensuring an appropriate Site Value for the landowner and a market risk adjusted return to the developer in delivering that project.

4.2 THE INVESTMENT TOOLKIT

As set out in Part Two, the CPCA’s key strategic response to its housing challenges, will be establishing a strategic investment fund, and an investment plan for the use of that fund. This section develops this further and identifies a series of tools that the CPCA could deploy as part of that strategic investment approach. These tools have been split into three main categories, as follows.

Direct Delivery Tools
Direct intervention tools deployed by the CPCA to deliver housing growth.

Enabling Tools
Tools that can be deployed by the CPCA to support enhanced delivery of housing growth by 3rd parties.

Collaborative Tools
Tools deployed to co-ordinate efficient and effective delivery measures of housing growth.

4.2.1 THE TOOLKIT

The tools available to the CPCA range from financial ones, such as investment approaches and recoverable grant, to non-financial tools such as collaborative methodologies and standardised mechanisms to assess viability and housing need.

Crucially the tools do not stand alone as individual interventions, instead they form a co-ordinated suite of opportunities focused on delivering housing growth and making CPCA financial resources work harder, including generating returns for reinvestment where appropriate.

The range of tools are shown in Figure xxx.

4.2.2 STRIKING A BALANCE

In order to make CPCA financial interventions work harder to drive long term growth it is the strategy of the CPCA to provide, over time, a mix of more traditional grant based interventions, some on a recoverable basis, and other investment tools that can deliver returns to the CPCA for ongoing reinvestment. To achieve this a Strategic Investment Fund (SIF) should be established that will allocate resources across a balance of grant and investment approaches.

This balance is likely to shift over time but it will be a crucial driver for the investment strategy of the SIF in the short, medium and long term.

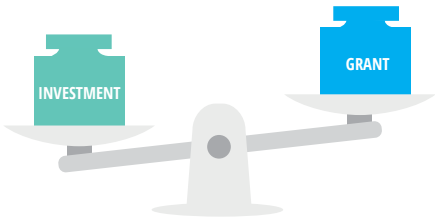


Fig 41: Investment- grant balance
Source: 31ten Consulting/ ICC

4.2.3 DIRECT DELIVERY TOOLS

4.2.3.1 Equity Investment

Most development schemes are funded through a combination of Equity and Senior Debt (bank lending). To secure senior debt most lenders require a balance of Equity and Debt into a scheme (typically between 30% - 40% equity and 60% - 70% debt). Often schemes will not have a rich enough equity mix to secure attractive bank terms.

The SIF can make equity investments into companies / schemes that deliver against its objectives. This is a potentially higher risk / higher reward investment approach as the CPCA’s investment is repaid last out of scheme returns and thus would need to carry a larger return rate than other approaches.

This approach can principally be used for schemes that are innately broadly viable but are blocked

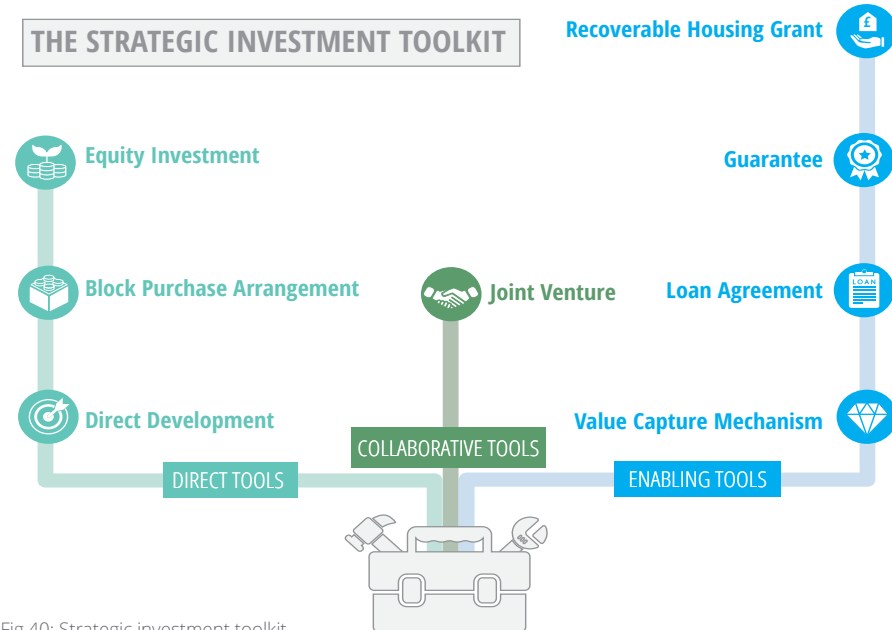


Fig 40: Strategic investment toolkit
Source: 31ten consulting/ Inner Circle Consulting

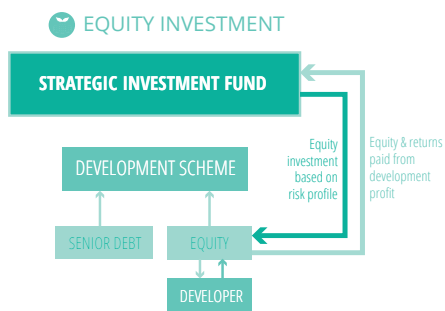


Fig 42: Equity investment
Source: 31ten Consulting/ ICC

due to a lack of deliverable funding strategy.

How it works

Development schemes apply to the fund for equity investment alongside their own / alternative equity on the basis that these equity funds enable senior debt to be sourced. The diagram at figure

xxx shows the SIF investment approach.

The funding sequence is as follows:

- SIF equity is drawn down into the scheme alongside developer equity.
- Senior debt is drawn into the scheme on the basis of the Equity / Loan split
- Development is undertaken
- Returns on assets developed are used to pay back bank lending and then equity
- Profits from the scheme are shared amongst equity investors in proportion to their equity shareholding.

4.2.3.2 Block Purchase Arrangement

Advantages	Disadvantages
Potential higher returns but higher risks due to the ranking of repayment behind debt.	Equity returns are often repaid towards the end of schemes and are dependent on the final level of profit. As such they can be unpredictable in timing and total amount.
Equity enables the drawdown of often significant bank lending enabling significantly larger schemes.	The investment is not secured against the land and as an unsecured investment, is higher risk.
Equity investment often carries with it a larger level of control over the development and an ongoing say in its delivery.	This approach is useful only for schemes that are broadly viable. It is more for unblocking schemes that cannot secure funding.
	The market is likely to be broadly unaware of this approach as it has not been publicised by the CPCA.

CASE STUDY_ Hertfordshire County Council – Chalkdene / Herts Living

Hertfordshire County Council took the decision to work with a partner to deliver a series of residential schemes across the County. It took the decision to invest its land as an equity stake into a series of developments for 2 main reasons. Firstly, to improve viability, by not having to fund the land in the early years the schemes viability improved, and secondly to have an ongoing say in these developments.

Through this approach the CPCA invests in schemes by purchasing assets to be developed on a forward sale basis. This gives certainty over sales risk for developers from early stages in scheme development, thus enabling improved funding strategies by offering certainty and unlocking increased development numbers and unblocking delivery. These purchases would be strategic in nature and could constitute tranches of residential units or other commercial assets on a sale and leaseback basis.

These assets are then owned and operated by the CPCA over the long term, paying back investment and generating returns over longer timeframes than the development / RP market can access. These assets can be used to further the CPCAs objectives, such as by providing units for alternative tenures, stepping stones to home ownership or through models such as Community Land Trusts.

This approach can be used for schemes with viability challenges, often to solve this grant is requested, this approach could be used as a potential alternative to grant.

How it works

CPCA works with developers to understand viability challenges to the schemes. Through this approach the development scheme is refined to ensure it delivers assets that would constitute sound investments from the CPCA. Forward sale agreements are formalised to purchase assets on completion. These arrangements can include phased purchase payments to fund the development of the assets.

Once assets are purchased they are held in an appropriate structure by the CPCA for long term operation, such as a residential operational vehicle. They are operated over the long term, over which time the purchase price is recovered and surpluses generated for reinvestment through the SIF.

4.2.3.3 Direct Development

Through this approach the CPCA undertake the development of residential units, or enabling of residential plots, itself on either land owned by the CPCA, its partners or land that is purchased. These developments are funded

through a combination of debt and equity sourced from the SIF in the form of cash or land, returns from the development are then used to repay these investments either from one off receipts of units / plots that are sold, or from the income from operational assets.

This approach can principally be used for schemes that are broadly viable but are blocked due to a lack of a viable funding strategy or other constraints, such as infrastructure requirements, which CPCA funding could potentially resolve.

How it works

- The SIF invests equity in the form of assets or cash into a wholly owned company or group, that will undertake development or enabling works and then sell or operate the assets.
- The SIF then offers a secured loan, against this land, to undertake the works on individual, or groups of schemes.
- Once complete the assets are either sold or operated
- The returns from these assets repay the debt in the first instance and subsequently the equity investment from the SIF.
- Profits over and above these costs are then made within the company and these would flow back into the SIF.

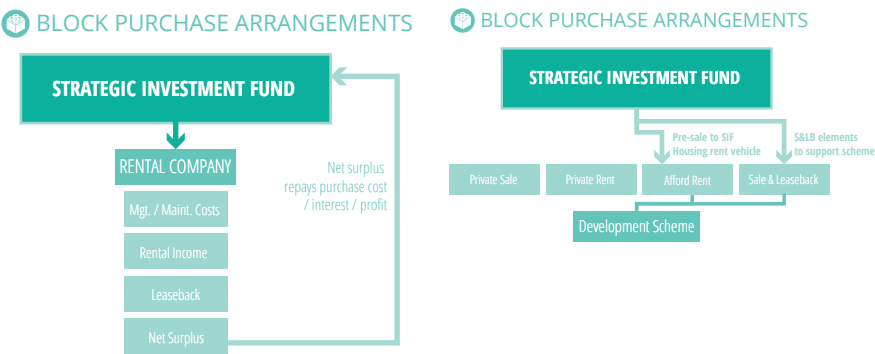


Fig 43- 44: Block purchase arrangements
Source: 31ten Consulting/ ICC

Advantages	Disadvantages
CPCA secures a series of income generating assets that can deliver sustainable long term financial returns, that can be used to drive forward its objectives.	The type of investment is long term in nature and does not deliver short term returns to the SIF, as such it needs to be balanced with short term approaches.
This approach can be used to increase the level of affordable housing as the CPCA will be in control of the tenure mix of the assets.	It is likely that this approach will require the establishment of a CPCA company.
This approach could be an alternative approach to grant that has the potential to generate a return on investment.	The CPCA is taking on a new role as a landlord and it needs to be set up to manage the risks of this. It may choose to outsource this function.
This approach enables the development of a portfolio for a management company that requires critical mass to be efficient.	The market is likely to be broadly unaware of this approach as it has not been publicised by the SIF.

CASE STUDY_

text

DIRECT DEVELOPMENT

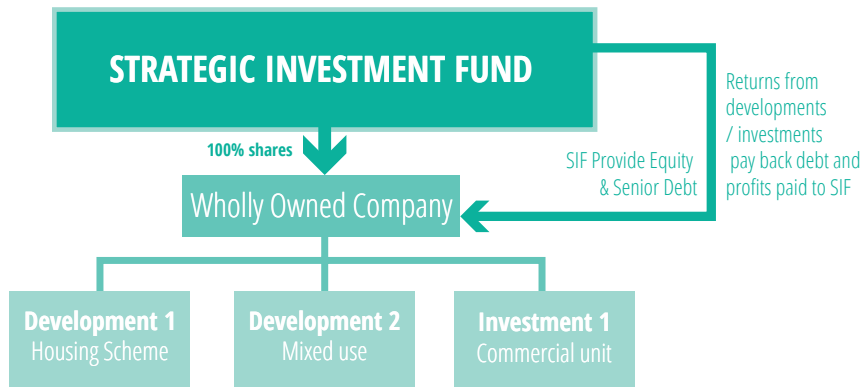


Fig 45: Direct development/ Source: 31ten Consulting/ ICC

Advantages	Disadvantages
SIF shares in or takes all of the development profits and long term/ short term asset re-turns.	Relies on a proportion of the schemes being broadly viable.
Highly effective way to increase the pace of development as the CPCA is adding capacity to the market.	The CPCA is taking a potentially high level of risk in a variety of areas through this approach, including development, sales and rental risk
A blended investment approach is used deliver-ing short term and long term returns.	It is likely that this approach will require the establishment of a company.
The CPCA retains control over the development and operation of the assets ensuring they further CPCA objectives.	The CPCA is taking on a new role as a developer and landlord and it needs to be set up to manage the risks of these activities.
This approach enables cross subsidy between sites, enabling increased delivery overall.	

CASE STUDY_ Ermine Street Housing / Hertsmeire Development Limited

Ermine Street Housing is a housing company set up by South Cambridgeshire District Council and Hertsmeire Developments Limited is similar but set up for Hertsmeire Borough Council. These are 2 companies undertaking activities similar to this through a similar model. They utilise funding from their Authorities to develop, purchase and manage properties to deliver the regions housing objectives and generate financial return.

4.2.4 ENABLING TOOLS

4.2.4.1 Loan Guarantee

It is common for SME developers to find it challenging to obtain competitive funding to deliver their schemes. A combination of high interest costs, short pay back periods and other onerous funding conditions can result in stalled development schemes. The SIF has the potential to utilise the strong covenant strength of the CPCA to offer guarantees to enable more competitive funding packages to be sourced. Through this approach either blocked schemes are enabled, or more viable schemes delivered that can result in increases in the quantum of development.

This approach can principally be used for schemes that are close to viability but are blocked due to a lack of viable funding strategy.

How it works

The CPCA work with developers and funders and sign loan guarantee agreements to underpin repayment of funding. Through this approach the developer is liable to make all repayments on funding agreements, however, should the developer default the CPCA funds the shortfall.

Based on this change to the risk profile of lending the lender will offer more attractive terms around the cost of debt, repayment periods and other conditions.

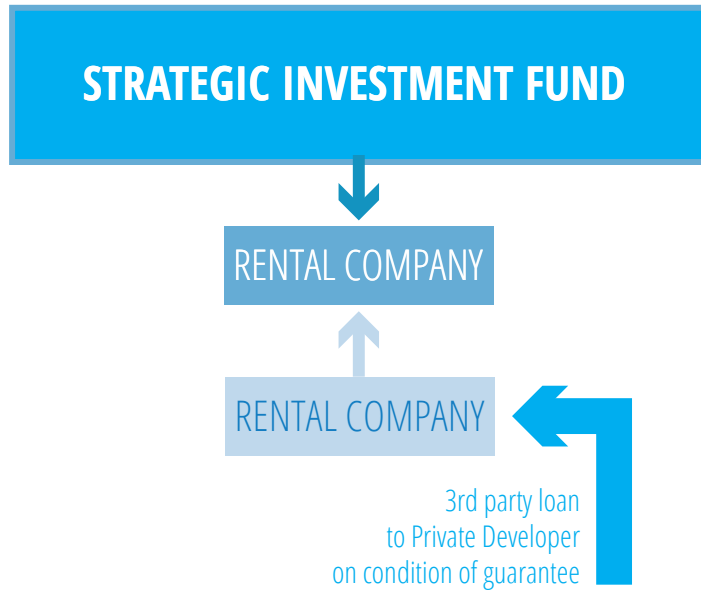


Fig 46: Guarantee/ Source: 31ten Consulting/ ICC

Advantages	Disadvantages
This approach utilises the financial strength of the CPCA but has the potential to require no actual financial resources to increase capacity in the market.	The guarantee is an uncertain level of commitment for the SIF as there is little way to know if funding will be required as the level of default is unknown.
The approach enables additional funding to be brought into the development market from outside the SIF.	There is no financial return on investment to the SIF.
Through utilising the CPCA covenant strength this approach supports market growth by enabling SMEs (small local builders) to grow.	This approach relies on sourcing schemes that are very close to viability.
	The market is likely to be broadly unaware of this approach as it has not been publicised by the SIF.

LOAN AGREEMENT

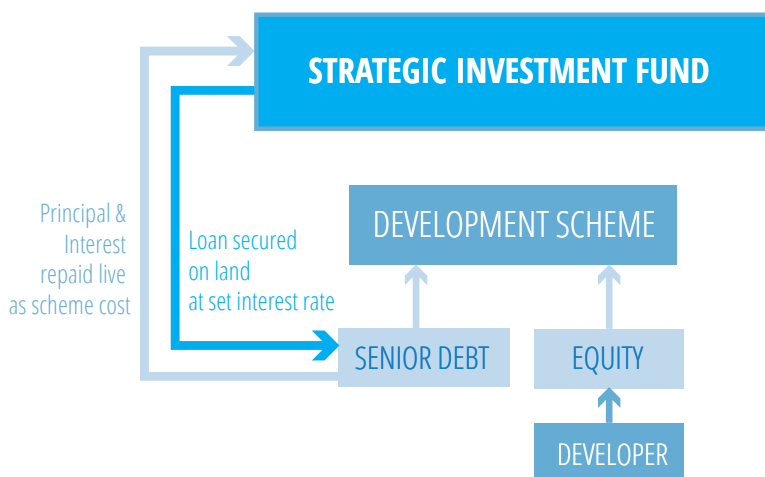


Fig 47: Loan agreement/ Source: 31ten Consulting/ ICC

4.2.4.2 Senior Funder - Loan Agreement

Most development schemes are funded through a combination of Equity and Senior Debt (bank lending). For senior debt to be offered most lenders require a balance of Equity and Debt into a scheme (typically, between 30% - 40% equity and 60% - 70% debt).

The SIF can utilise funds to offer debt into schemes as part of a funding package to enable the development. This loan would usually be secured against the land within the development and would be repaid as a live scheme cost including an appropriate interest level for the risk taken.

This approach can principally be used for schemes that are innately broadly viable but are blocked due to a lack of viable funding strategy. The SIF take a slightly different approach to the private funding market in terms of phasing and payback levels and timings.

How it works

- The SIF works with developers to develop a funding strategy whereby a loan is offered from the SIF to the Developer with appropriate security arrangements being put in place.
- A loan agreement is developed and signed detailing the interest and principal repayment terms.
- Development is undertaken and the loan repaid based on the terms of this agreement from development proceeds.

Advantages	Disadvantages
The timing and level of returns to the SIF are known based on the loan agreement.	The approach relies on viable schemes and cannot be used alone to address more significant scheme viability problems.
The investment is relatively secure as it is secured against the land / work in progress on the scheme	There is a requirement for the SIF to act as a bank and monitor the investment as such, including vouching draw-down, monitoring of works etc. There are costs to this process.
There is a return on investment based on the interest rate	

CASE STUDY_

Example to be inserted.

accessible, and as such have a lower value. By the link road being provided the land value will increase.

To capture an element of this increase the SIF invests to deliver the road, probably through a loan agreement with a charge over the land holdings. The agreement is structured such that the charge must be released before serviced lots/ units are sold. The uplift in value funds the payment of this charge.

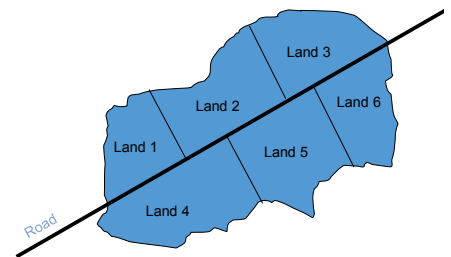


Fig 49: Example of value capture mechanism
Source: 31ten Consulting/ ICC

To capture an element of this increase the SIF invests to deliver the road, probably through a loan agreement with a charge over the land holdings. The agreement is structured such that the charge must be released before serviced lots/ units are sold. The uplift in value funds the payment of this charge.

4.2.4.3 Value Capture Mechanism - Charge over Land

Through this approach the SIF invests in elements such as strategic land, or infrastructure, in return the uplift in value of developable land owned by third parties is captured to repay the costs of investments plus a profit for the risk taken.

This approach can principally be used where a significant infrastructure intervention is required to unblock development.



VALUE CAPTURE MECHANISM /CHARGE OVER LAND

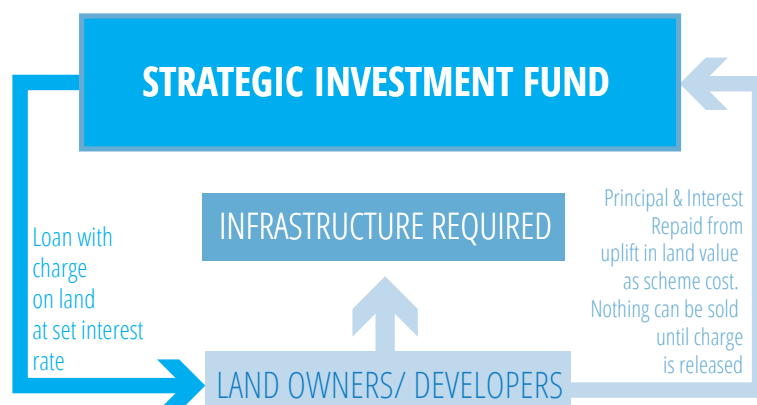


Fig 48: Value capture mechanism/ Source: 31ten Consulting/ ICC

How it works

In the example at figure xxx, 6 land holdings will benefit from a new access road being provided. These land holdings are currently not

Advantages	Disadvantages
The timing and level of returns to the SIF are known based on the loan agreement.	
The investment is relatively secure as it is secured against the land	There is a requirement for the SIF to act as a strategic land investor or bank and monitor the investment as such, including vouching draw-down, monitoring of works etc. There are costs to this process.
There is a strong return on investment based on the funding rate.	The market is likely to be broadly unaware of this approach as it has not been publicised by the SIF.
The approach can unblock large sites and deliver significant residential units.	

The SIF invests in schemes utilising a more traditional Grant agreement. Grant is allocated based on the CPCA priorities around increased delivery of housing. All grant agreements include a clause whereby on the basis of certain conditions the grant is repaid. This approach can principally be used where there are viability challenges for a scheme, phasing challenges for the development or increased affordable housing / other community infrastructure is provided.

How it works

- A grant agreement is put in place between the SIF and the developer on the basis of a series of metrics.
- This grant is drawn down and spent in line with the grant agreement.
- Performance is reported over time and on the basis of a set of agreed indicators repayment could be triggered.

CASE STUDY_ North Of London

This model is currently being implemented in conjunction with a major institutional landowner for the development of a large landholding suitable for urban extension north of London. To enable the site to be brought forward for development a link road is to be provided. DfT were originally funding this road but funding was lost in recent cuts. The Council set up an investment agreement with the land owners and a loan was made with a charge over the development land. The charge is set in such a way as to recognise and reward the Council for the risk it is taking in enable the road. It also encourages development of the land as the charge is linked to inflation, increasing over time.

4.2.4.4 Recoverable Grant

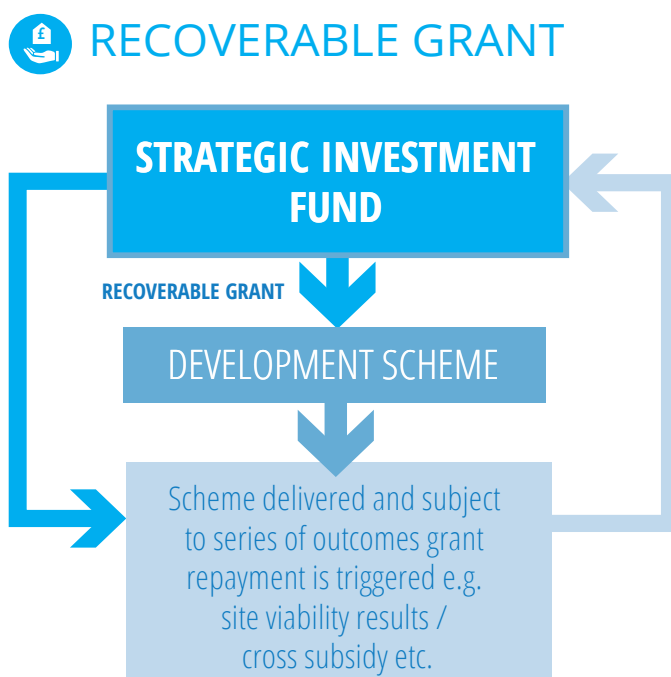


Fig 50: Recoverable grant/ Source: 31ten Consulting/ ICC

Advantages	Disadvantages
The approach is well understood by the market, a large number of opportunities could pre-sent themselves to SIF.	Through applying funding in this way there is either a significant lag before there is any replenishment of the SIF or the resources are lost.
The grant funding provided often provides the last piece in the funding jigsaw, as such it can quickly unblock sites and enable a fast pace of delivery.	Even if funds are replenished, there is no financial return on investment to the SIF.
Grant can be used to specifically increase affordable housing provision in line with the CPCA's objectives.	This approach is well understood and comfortable to the market, therefore there is little innovation coming forward for alternative funding arrangements.
This approach can be used to address fundamentally unviable schemes	

The equity investment option in the enabling tools above highlights the potential to partner with private sector bodies, this tool targets the potential for CPCA to form Joint Venture partnerships with other public bodies or the existing and emerging housing companies established across the region such as Ermine Street Housing and Cambridge City Housing Company.

How it works

The SIF invests cash or land as equity alongside cash or land investment from the Council / Housing Company

- The new Joint Venture sources senior debt to develop schemes
- Returns from the development pay back senior debt and then the equity to the partners, in that order
- Long term and short term profits from the development are shared between the equity partners.

This approach can be used to deliver a programme of schemes that together are viable, although it can address sites with viability / deliverability challenges alongside schemes that provide cross subsidy.



Fig 51: Bringing all tools together/ Source: 31ten Consulting/ ICC

4.2.5 COLLABORATION TOOLS

4.2.5.1 Joint Venture

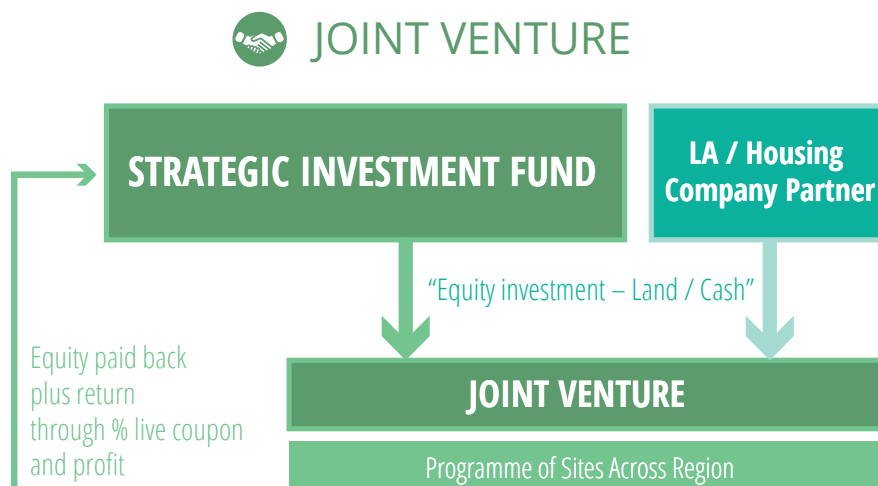


Fig 52: Joint venture/ Source: 31ten Consulting/ ICC

Advantages	Disadvantages
Provides a return on investment to the SIF over the life of the partnership.	By establishing Joint venture structures there is a need to provide significant up-front investment to establish the partnerships.
A programme of sites can be delivered that enables cross subsidy, thus unblocking sites with viability and deliverability challenges.	Equity returns are often mostly repaid towards the end of the scheme and are dependent on the level of return generated. As such they can be unpredictable in timing and total amount.
By partnering with multiple partners this enables a potential cross regional approach.	These partnerships work best where there are significant land holdings that can be invested to enable development.
There can be significant procurement savings by delivering schemes through a partnership, as opposed to seeking partners for each.	The market is likely to be broadly unaware of this approach as it has not been publicised by the SIF.
By delivering schemes through this approach the SIF can share in the long term development and operational profits.	The investment is not secured against the land and as an unsecured investment is higher risk.

4.2.5.2 Viability Approach

The Cambridgeshire & Peterborough Strategic Spatial Framework includes the following quote:

"..it is evident that while there are principles in common (across the region) the approach to viability can vary across the area."

This is a key challenge in enabling a consistent development environment in which the private and public development market can thrive. A consistent approach to how viability is assessed will enable more certainty to developers as they bring schemes forward, it will also enable the CPCA to more accurately assess and commit resources generated from development to enable major infrastructure.

How it works

- The CPCA establishes a framework for viability that includes a series of elements that provide:
- A standardised approach to the assessment of viability
- Proforma tools for the scheme application and assessment
- Proforma tools for ongoing assessment of viability changes.
- These are applied across the region through a co-ordinated central unit supporting the Council's.

CPCA FRAMEWORK FOR VIABILITY

Standard approach to assessment

Standardised tools for application and assessment

Tools for viability negotiation e.g. staircasing

Fig 53: CPCA Framework for viability
Source: 31ten Consulting/ ICC

Advantages	Disadvantages
Consistency breeds confidence - A clear recognised approach enables the development market to clearly understand how schemes will be assessed. This ensured clarity over expectations and delivery.	Significant investment is needed to develop the approach, consult with partners and implement it
Efficiencies for the Councils in assessment of viability by establishing a standard approach and being supported in its operation	A central resource will be required to co-ordinate and support the operation of the framework
Efficiencies for the development market in application for schemes.	The approach will only be effective if the correct balance is struck on the tools to enable development.

4.2.6 THE SUB REGIONAL APPLICATION OF TOOLS

The diversity of the CPCA region has been clearly shown by the analysis undertaken within section 1. The region is grappling with significant variations in economic, social and environmental factors. Elements of the region are heavily influenced by their proximity to the thriving economies of large towns such as Cambridge, Peterborough and London, whilst others are rural in nature, more heavily influenced by local economic and social characteristics. The analysis has shown that, unlike a number of the other Combined Authority areas, these extremes are acute across CPCA, as such the tools that can be deployed to enable and drive growth are significantly different in an area such as March compared to Central Cambridge. This is the reason that such a spectrum of tools has been developed. This section seeks to target the use of these tools in the areas of best fit.

The matrix below seeks to target these by key characteristics across the regional spectrum. It shows three points on this spectrum and the key tools that could be appropriate in these example areas:

LOCATION	URBAN LOCATIONS	FRINGE LOCATIONS	RURAL LOCATIONS
Characteristics	<ul style="list-style-type: none"> Strong housing values High quality transport links Active development market Strong economic growth Population growth 	<ul style="list-style-type: none"> Average housing values Some transport links but require improvement Some development occurring but viability challenges Population stable 	<ul style="list-style-type: none"> Stagnant housing values Transport links require improvement Little / no development occurring without subsidy Economic inertia
Examples	<ul style="list-style-type: none"> Cambridge City Peterborough 	<ul style="list-style-type: none"> Godmanchester Fordham Chatteris 	<ul style="list-style-type: none"> March Crowland Thorney
Key Tools (note – many of the tools will be relevant across multiple areas – these are the most relevant for each location)	<p>Direct Tools</p> <ul style="list-style-type: none"> Equity Investment Direct Development <p>Enabling Tools</p> <ul style="list-style-type: none"> Guarantee Loan Agreement Value Capture / Charge Over Land <p>Collaborative Tools</p> <ul style="list-style-type: none"> Joint Venture Viability Approach 	<p>Direct Tools</p> <ul style="list-style-type: none"> Equity Investment Block Purchase Arrangement Direct Development <p>Enabling Tools</p> <ul style="list-style-type: none"> Guarantee Loan Agreement Value Capture / Charge Over Land <ul style="list-style-type: none"> Recoverable Grant <p>Collaborative Tools</p> <ul style="list-style-type: none"> Joint Venture Viability Approach 	<p>Direct Tools</p> <ul style="list-style-type: none"> Equity Investment Block Purchase Arrangement Direct Development <p>Enabling Tools</p> <ul style="list-style-type: none"> Recoverable Grant Value Capture / Charge Over Land <p>Collaborative Tools</p> <ul style="list-style-type: none"> Joint Venture Viability Approach



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.2
26 SEPTEMBER 2018	PUBLIC REPORT

AFFORDABLE HOUSING PROGRAMME – CAMBRIDGE CITY COUNCIL £70M, 2018/19 BUDGET

1.0 PURPOSE

- 1.1. As part of the Devolution Deal, the Combined Authority secured £170 million from Government to deliver an affordable housing programme. Of this, £70 million is ring fenced to deliver 500 new affordable homes within Cambridge City.
- 1.2. This report seeks approval from the Combined Authority Board of 2018/19 budget for the £70 million Cambridge City programme.
- 1.3. Programme updates are reported to the Authority on a quarterly basis with the next report due in September 2018, this will be brought to the Board in October 2018.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Roger Thompson, Director of Housing and Development
Forward Plan Ref: 2018/003	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <p>(a) note the expenditure profile for 2018/19 financial year in respect of the Cambridge City Council £70 million, as part of the Authority's £170 million Affordable Housing Programme</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>(b) approve the carry forward of 2017/18 approved budget of £387,041 to 2018/19</p> <p>(c) approve 2018/19 budget provision of £14,669,959, giving a 2018/19 total budget of £15,057,000 to enable the programme to proceed.</p>	
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2.0 BACKGROUND AND CONTEXT

Cambridgeshire and Peterborough 2030 Ambition

- 2.1. The Mayor and the Combined Authority are committed to accelerating affordable housing delivery to meet local and UK need and support economic growth. This is reflected in the 2030 Ambition for coordinated interventions and investment tailored to local need across housing, transport and infrastructure, planning and land use and skills.

Cambridgeshire & Peterborough 2030 Ambition



CPCA - In Confidence

Affordable Housing Business Case

- 2.2. As part of the Devolution Deal the Combined Authority received a £70 million grant fund for the delivery (start on site) of 500 council homes in Cambridge City between April 2017 and March 2022. The £70 million is to meet housing demand in Cambridge City and the City Council is delivering the additional homes. The Combined Authority has overarching accountability under the Assurance Framework for the programme but the primary decision-making and governance of the programme sits within the Cambridge City Executive and its scrutiny functions as set out in the Strategic Partnership Agreement.

- 2.3. A report was presented to the Combined Authority Board on 25 July 2018 which provided an update on the progress of the City Council programme. The July report requested that the Board note a need to approve a programme budget for 2018/19 and advised that a paper seeking approval for the 2018/19 budget would be brought to a future meeting of the Board.
- 2.4. This paper provides details of baseline and current forecast programme expenditure and specifically requests budget approval for the financial year 2018/19 to enable payments to be made to Cambridge City Council in accordance with claims and monitoring processes.
- 2.5. Updates on programme performance such as Starts on Site, Completions and pipeline are reported to the Combined Authority on a quarterly basis. The next update is expected from the City Council in September and will be reported to Board in October.

3.0 CAMBRIDGE CITY DEVOLUTION HOUSING PROGRAMME – FINANCIAL PROFILE

- 3.1. Cambridge City Council is currently predicting a total spend of £129 million, comprising £70 million grant via the Combined Authority plus £59 million City Council resources.
- 3.2. The Combined Authority Board approved £971,216 budget at its meeting on 28 March 2018 to fund planned 2017/18 programme delivery agreed with Cambridge City Council.
- 3.3. The City Council spent and claimed £584,175 against the programme budget in 2017/18, leaving £387,041 to be carried forward into financial year 2018/19. Table 1 below shows the programme's budget profile reported to the Combined Authority Board in March 2018 compared to the latest revised profile.

Table 1) City Council Devolution Affordable Housing Programme Budget Profile 2017-22

	2017/18 £	2018/19 £	2019/20 £	2020/21 £	2021/22 £	Totals
Baseline Profile March 2018	971,216	11,826,382	16,996,325	27,902,283	12,303,794	70,000,000
Revised Profile Sept 2018	584,175	15,057,000	21,907,000	27,781,000	4,670,825	70,000,000
Variance +/-	-387,041	3,230,618	4,910,675	-121,283	-7,632,969	0

- 3.4. The Board is recommended to approve carry forward of 2017/18 budget of £387,041 to 2018/19 and approve a budget sum of £14,669,959 for 2018/19, so

the Combined Authority can reimburse the City Council's total projected £15,057,000 2018/19 programme expenditure.

- 3.5. A full profile listing schemes within the City Council's programme was provided as an appendix to the July Board paper. An updated profile is attached to this paper as Appendix 1.
- 3.6. The City Council has to date made two claims to the Combined Authority, the first for 2017/18 of £584,175 which was paid in July 2018 and a second claim for Q1 2018/19. Of this claim, £65,435 was paid in August 2018 from previously approved budget totals and the remainder will be paid once the 2018/19 programme budget is approved.
- 3.7. A substantial proportion of the City Council's Q1 18/19 claim relates to the council's purchase of a significant site at Cromwell Road. Land was purchased through a competitive bidding process. The site has planning permission for over 240 homes in total including the planned delivery of at least 40% of that number as new council housing units. These affordable homes will form part of the City Council's £70m programme. The council has sought to directly purchase this site in order to accelerate the delivery of the programme and deliver at greater scale than is possible on smaller infill sites.
- 3.8. The management and monitoring arrangements associated with this programme were captured in reported to the Combined Authority in March 2018. That claim process has now been established and it is important that the broader governance processes are maintained over the life of this programme to ensure compliance with agreed Monitoring and Evaluation and Assurance Frameworks.

4.0 FINANCIAL IMPLICATIONS

- 4.1. The latest programme budget profile provided by Cambridge City Council as part of the last quarterly report in June 2018 indicated planned spending in 2018/19 of £19,773,421. In preparing mid-year budget figures, the City Council has revised the programme profile so the 2018/19 forecast outturn budget is now £15,057,000. For quarterly claims to be settled, the Combined Authority Board will need to approve carry forward of £387,041 from 2017/18 and approve a budget of £14,669,959 for 2018/19 to enable settlement of quarterly claims.
- 4.2. This programme is funded by a specific £70 million capital grant from Government, of which a total of £38m has been received by the Combined Authority. Projected total claims up to 31st March 2019 are therefore fully funded.
- 4.3. The management and monitoring arrangements associated with this programme were captured in Appendix A of the March 2018 Combined Authority report, setting out the required process for reviewing costs and progress and settling claims in the context of the agreed programme. That claim process has now been established and it is important that the broader governance processes are

maintained over the life of this programme to ensure compliance with agreed Monitoring and Evaluation and Assurance Frameworks.

5.0 LEGAL IMPLICATIONS

- 5.1. There are no new implications. The obligations within the devolution deal require the Combined Authority to ensure the funds are spent in line with its Assurance, Monitoring and Evaluation Frameworks.
- 5.2. The Assurance Framework, as reflected in the devolution deal, requires the Combined Authority to demonstrate that the funds have been used for the objectives of the devolution deal.

6.0 APPENDICES

- 6.1. Appendix 1 Cambridge City Council New Build Programme 2018-19 - to be published on 19th September 2018 at the request of Cambridge City Council.

<u>Source Documents</u>	<u>Location</u>
<i>DCLG Approved Business Case</i> Devolution Deal 2016 Assurance Framework Monitoring and Evaluation Framework	Cambridgeshire and Peterborough Combined Authority, Alconbury Enterprise Campus, Alconbury Weald, Huntingdon PE28 4XA http://cambridgeshirepeterborough-ca.gov.uk/

**Item 2.2 – Affordable Housing Programme Cambridge City Council £70m
Budget 2017-18**

Appendix 1 Cambridge City Council New Build Programme 2018-19 -
to be published on 19 September 2018 at the request of Cambridge City Council



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.3
26 SEPTEMBER 2018	PUBLIC REPORT

PUBLIC SERVICE REFORM: HEALTH & SOCIAL CARE PROPOSAL

1.0 PURPOSE

- 1.1 This paper updates the Board on how the Combined Authority's Devolution Deal commitment to make progress with public service reform, and in particular the integration of health and social care mandated by paragraphs 63-67 of the deal, has been implemented to date, and seeks agreement for next steps.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor James Palmer
Lead Officer:	Paul Raynes, Director Strategy & Planning
Forward Plan Ref:	Key Decision: No
<p>The Combined Authority Board is recommended to:</p> <p>(a) Note the devolution deal commitment to, and the economic and administrative case for, taking action to implement new models of public service delivery.</p> <p>(b) Agree the proposal to design an innovative Cambridgeshire and Peterborough health and social care proposition based on further devolution which makes the case to Government for the further transfer of resources, decision-making and accountability relating to health and social care.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

<p>(c) Agree the establishment of an independent Public Service Reform and Innovation Commission which will support, inform and challenge the development of the Cambridgeshire and Peterborough health and social care proposition.</p> <p>(d) Agree the commitment of up to £450,000 in 2018/19 from within the existing approved allocation for Public Sector Reform in the Medium Term Financial Plan (MTFP).</p>	
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2.0 BACKGROUND

- 2.1. It is widely accepted that the health and care system is unsustainable without reform, in particular by better integration between the NHS and social care. Appendix 1 provides a summary of the pressures and drivers facing the health and care system and the case for taking urgent action to implement new models of public service delivery.
- 2.2. National government has nevertheless struggled over two decades to make decisive improvements in the way the NHS, local government, housing providers, the third sector and others work together. Parliament legislated to enable reform as long ago as 1999. But, as the National Audit Office concluded in its 2017 report on the issue, “Nearly 20 years of initiatives to join up health and social care by successive governments has not led to system-wide integrated services.”¹
- 2.3. Where progress has been made, it has been locally-driven. Exemplar projects, for example in Greater Manchester and the West London bi-borough, have demonstrated the potential for improving outcomes and reducing costs by better joint working and by shifting resources from acute provision to prevention.
- 2.4. Cambridgeshire and Peterborough have been leading the way with a range of locally-led pilot projects and studies. These include:
 - (a) Cambridgeshire and Peterborough Councils have started a programme of work with iMPower, widely regarded as a thought leader in reform of Social Care systems and Capgemini, world renowned for digital innovation, to design long term transformation of the adult service model across Cambridgeshire and Peterborough, with the aim of customising care for every citizen.

¹ Health and Social Care Integration, Report by the Comptroller and Auditor General 6 February 2017, at paragraph 8 (<https://www.nao.org.uk/wp-content/uploads/2017/02/Health-and-social-care-integration.pdf>)

- (b) Officers from both Councils, the CCG, Cambridgeshire & Peterborough Foundation Trust (CPFT) and GRANTA, one of the area's most innovative medical practices, have developed a business case for a Primary Care led initiative to reduce bed occupancy in Addenbrookes Hospital.
 - (c) Based on the Buurtzorg model of care, Cambridgeshire County Council has established pilot 'Neighbourhood Cares' models in Soham and St Ives to test a community model that supports customised care.
 - (d) As part of the Sustainability & Transformation Plan (STP) Programme and the work on closer integration between Cambridgeshire and Peterborough Councils, ambitious and linked programmes of Shared Services have been initiated by partners across the system alongside testing new models of delivery focused on preventing and delaying the need for specialist services.
 - (e) The Councils are exploring a joint piece of work with NHS England as part of their 'Urgent & Emergency Care' work stream to test a new model of access to Health and Social Care services, aiming to transform the historic 111 / GP access / social care assessment model at a sub-regional level.
- 2.5 This commitment by partners in the Combined Authority area to progress health and care transformation informed, and is enshrined in, our Devolution Deal. Paragraphs 63-67 of the Deal document commit the Combined Authority and the partners to continue down the road of reform.

3.0 DEVELOPING A DEVOLVED, INNOVATIVE, SYSTEMIC SOLUTION FOR HEALTH & SOCIAL CARE IN CAMBRIDGESHIRE AND PETERBOROUGH

- 3.1. There is both an opportunity and a commitment to design and shape a Cambridgeshire and Peterborough Health and Social Care proposition using the expertise, innovative thinking and evidence that is available from experience gained both here and elsewhere in the country. In developing this proposition, the learning from our own area and others will be key. This includes new evidence from the Economic Commission, which highlights the direct correlation between health and productivity and the strength of the local economy, as well as our area's strategically significant sector specialisms in life sciences and medical technology which are directly relevant to this work.
- 3.2. This has informed an ambition to champion wider integration of Health and Social Care based on four key principles:
- (a) People-based with holistic care as the goal - putting more choice and more independence directly into the hands of individuals and communities;
 - (b) Place-based solutions, with easy access to intermediate care;
 - (c) Increased focus on early intervention, prevention and managing demand;
 - (d) Making best use of community assets.

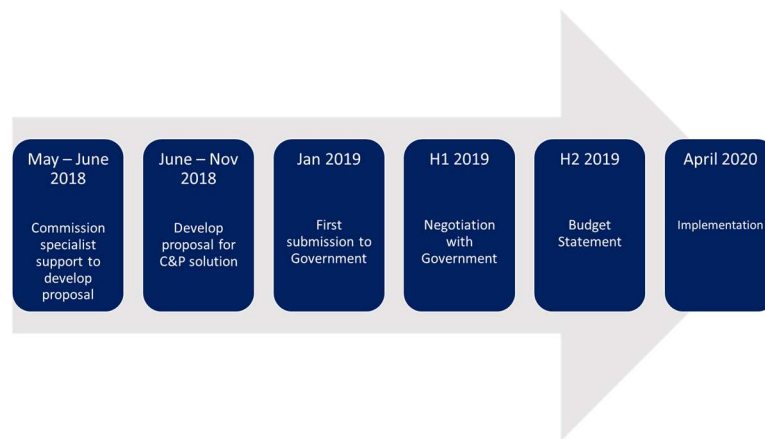
- 3.3. The Combined Authority has begun a programme of work to develop that ambition into a concrete devolutionary proposition for the transformation of health and social care. Its objectives are summarised in the figure below:



- 3.4. The Combined Authority undertook a competitive exercise to secure specialist consultancy services to develop the proposal. Five organisations were invited to submit proposals. A Panel comprising the Mayor, the Chair of the STP Board, the Chief Executive of Cambridgeshire and Peterborough Councils, the Accountable Officer of the Clinical Commissioning Group (CCG) and the Chief Executive of the Combined Authority considered the proposals and received presentations from the shortlisted organisations. Respublica, the independent non-partisan think-tank, was selected to support delivery of the proposal and has commenced work on the project.
- 3.5. The first phase of the programme is focused on collaboratively developing an evidence-based devolutionary proposition for the integration of health and care services which commands the support of partners and stakeholders. The proposition will:
- (a) specify which shared Cambridgeshire and Peterborough outcomes it will support
 - (b) analyse the specific interventions that are needed to achieve them
 - (c) set out the specific policy area/powers to be devolved
 - (d) address existing perverse incentives set up by central regulation and management
 - (e) make the financial/economic case and
 - (f) model an operational solution.
- 3.6. The programme of work includes mapping and reviewing the existing provision of health and social care as well as the local health economy (including for example the evidence and outputs of the work by the STP; iMPower and Capgemini). This will be aligned with what is happening locally, nationally and internationally in the field of devolution and public service reform and draw on the knowledge, lessons learned and experience from other devolved administrations and previous experiences in Cambridgeshire and

Peterborough.

- 3.7. The proposition will seek to identify shorter term (1-2 years) initiatives that will generate efficiencies which would then be reinvested in medium (5 years) and longer term (10 years) transformational goals. It will also set out the business case for change, devolved powers and a funding model.
- 3.8. Local stakeholder engagement and advocacy is a vital part of the project and will run in parallel to the development of the proposition. This will include workshops with partners across health and social care, users focus groups, citizen polling and engagement with central government departments.
- 3.9. The indicative timeframe for the development and negotiation of the proposal is summarised below. The programme will keep the timescales under close review to reflect the process and governance approvals required prior to submission to government.



4.0 PROJECT GOVERNANCE

- 4.1. The responsibility for and delivery of Health and Social Care services spreads across numerous partner organisations. The Project Board is responsible for providing executive oversight and sponsorship for this programme and for steering the work and recommending the Health and Social Care proposal to relevant decision makers. A Project Board is supported by a Project Team with responsibility for delivering the programme.
- 4.2. The Mayor is also establishing an independent Public Service Reform and Innovation Commission. The Commission will advise, support and inform the development of a Cambridgeshire and Peterborough Health and Social Care Proposition. Appendix 2 sets out its terms of reference and composition.
- 4.3. The Combined Authority is administering and funding the project. The Mayor is committed to taking the jointly developed case to Central Government.
- 4.4. The Mayor, Combined Authority Chief Executive and Monitoring Officer are working to establish the process and governance route for consultation on, agreement to and submission of the Health and Social Care proposal. This will

involve all partner organisations that are part of the proposal.

5.0 FINANCIAL IMPLICATIONS

5.1. Public Service Reform is identified as a priority in the Combined Authority's Four Year Plan; a £877,600 budget is allocated within the draft Medium Term Financial Plan (MTFP) as approved by the Board in May 2018. It is anticipated that £450,000 of that will be required to be spent in 2018/19 and the table below sets out the anticipated costs for the programme. The services include:

- (a) Specialist services to support development of the proposal for submission to Government and project management services to ensure that the project delivers.
- (b) Administration of the Commission – ensuring it can operate efficiently and effectively, including honorarium, other small ex gratia payments or expenses to Commission members.
- (c) Publication and publicising the emerging Health and Social Care proposal in support of making the case for further investment in the area.

CA 2030 Programme: Public Service Reform	TOTAL £
Public Service Reform & Innovation Commission	50,400
Third Party Professional Consultancy Services	258,000
Professional Consultancy Services	
Additional Govt requirements / contingency	55,000
Project Management Services	34,000
Third Party Media/Comms	20,000
Access to programme, finance, procurement, legal, engagement & communications support	27,000
Overheads	5,000
TOTAL	449,400

5.2. Once the Health and Social Care proposal and business case is developed, further project development and advocacy will be required in 2019/20; this is likely to require further specialist support. Funding for this will be identified in the MTFP and 2019/20 budget.

6.0 LEGAL IMPLICATIONS

6.1. The devolution deal signed between Government and members of the Combined Authority in June 2017 outlined a commitment to transforming public

service delivery, with an initial focus on health and social care. No specific legislative powers are required to develop these proposals. The Combined Authority has a general power of competence to deliver the commitments in the devolution deal.

- 6.2. The anticipated budget outlined in this report means that the decision is not a key decision.
- 6.3. Appropriate procurement arrangements, as set out in the constitutional Contract Rules, were followed to engage consultants to develop this work.

7.0 SIGNIFICANT IMPLICATIONS

- 7.1. There are no additional significant implications.

8.0 APPENDICES

- 8.1. Appendix 1 – The case for taking action to implement new models of public service delivery
- 8.2. Appendix 2 – Public Service Reform and Innovation Commission

<u>Source Documents</u>	<u>Location</u>
List background papers: Cambridgeshire and Peterborough Devolution Deal	List location of background papers http://cambridgeshirepeterborough-ca.gov.uk/assets/Uploads/Cambridgeshire-and-Peterborough-Devolution-Deal.pdf
Combined Authority Board Papers (May 2018)	http://cambridgeshirepeterborough-ca.gov.uk/meetings Cambridgeshire and Peterborough Combined Authority, Incubator 2, First Floor, Alconbury Weald, PE28 4WX

APPENDIX 1

BACKGROUND & CONTEXT – the case for taking action

Public service finances

- 1.1 Revenue support funding for public services from central government has been significantly reduced in recent years (in 2015/16, councils received £9.9bn in Revenue Support Grant (RSG), by 2019/20, this will be £2.2bn). This position is mirrored across the Cambridgeshire and Peterborough local authorities as illustrated below. The government is expected to maintain its fiscal austerity programme with RSG funding for local government being cut in half over the next two years and almost completely phased out by 2020 with some councils moving into a negative RSG position.

	2013_14	2014_15	2015_16	2016_17	2017_18
Peterborough CC	55,166	45,973	34,319	26,983	19,821
Cambridgeshire CC	85,870	72,017	53,669	33,347	15,312
Cambridge CC	5,609	4,311	3,012	1,954	1,104
East Cambridge DC	3,238	2,474	1,744	1,149	660
Fenland DC	4,861	3,687	2,585	1,699	925
South Cambridgeshire DC	3,476	2,657	1,830	926	230
Huntingdonshire DC	6,019	4,563	3,183	2,107	1,182
	164,239	135,682	100,342	68,165	39,234

- 1.2 The funding position is particularly acute within the County Council and Unitary Council. Whilst they have made significant investment in transformational programmes that are delivering significant savings, this is being outpaced by demand and the councils face a budget gap in 2018/19 and beyond that requires immediate action.
- 1.3 The CCG has a significant revised forecast overspend. The CCG Governing Body in May 2018 agreed the 2017-18 financial outturn of a £42.1m deficit and agreed its financial plan that will end 2018-19 at £35m deficit. The Governing Body agreed to develop and formally agree a detailed Improvement Plan and a robust medium term financial plan to return to normal NHS business rules in a timeframe agreed by NHS England. The Governing Body identified three stages to provide sustainable improvement:
- Driving Immediate Improvement – delivering the recommendations from the PwC Report and requirements from NHS England;
 - Meeting National Must Dos and CIAF Domains (Better Health, Better Care, Sustainability and Leadership);
 - Transforming to an Integrated Care System.
- 1.4 Similarly the Office of the Police and Crime Commissioner has highlighted that circa. 80% of policing time is committed to responding to non crime-related issues and urgent action is required.
- 1.5 Combined Authority partners have implemented a range of transformational change and efficiency projects in response to these fiscal challenges. However, whilst many of these projects have delivered savings, they have

largely been focused within or across individual sectors. The ability to unlock further efficiencies requires a more radical approach. The programme of public service reform offers the opportunity for this more radical approach to re-configure, realign and re-purpose the delivery of services, to put them on a more sustainable footing and deliver better outcomes for citizens.

Managing demand, tackling inequalities and joining up public services

- 1.6 At the same time as funding is reducing, demand for services is rising due to a growing and aging population with more complex needs. The pressure to respond to current levels of demand with shrinking resources makes it imperative to implement effective approaches to reduce dependency on public services and make the most of the assets in communities.
- 1.7 Cambridgeshire and Peterborough is forecast to experience significant population growth over the next 20 years. The levels of population growth predicted will make significant demands on services and the need for additional housing, schools, health provision and infrastructure.
- 1.8 Whilst Cambridgeshire and Peterborough is one of the fastest growing and most economically significant parts of the country and many communities have a good quality of life, this is not uniform across the area. This is reflected in the socio-economic characteristics of the area for example healthy life expectancy, employment support and educational attainment.
- 1.9 In response to these challenges, services are increasingly becoming more closely integrated as part of a wider system (local authorities, people, families, communities, third sector, LEP, NHS commissioners and providers, policing, fire authority, third sector etc) with more effective joint working and increased place-based working to deliver shared outcomes for citizens.
- 1.10 The public service reform programme offers an opportunity for the area's partners to consider public service reform more holistically and to go much further in delivering more integrated provision, greater efficiencies, increased prevention and reduced dependency across the public services landscape.

Cambridgeshire & Peterborough 2030 Ambition – the fit with the 2030 ambition

- 1.11 The 2030 Ambition sets out the aspirations to deliver additional growth, prosperity and more resilient public services through the strong local partnership of councils, business and public services that have a successful track record of working together.



1.12 The 2030 ambition provides the context for an outcomes-based approach to public service reform. There are already examples of how these outcomes are being delivered, some of these are highlighted at Paragraph 1.17.

Devolution

1.13 The devolution deal clearly signalled the intention for local partners to explore new models of public service delivery².

1.14 In developing the devolution, the partners identified and have been taking action focused on a number of priorities:

- (a) Working with relevant central and local statutory and non-statutory partners to explore innovative and integrated approaches to redesign sustainable public services with a focus on prevention and helping people and communities become more resilient (Para 62).
- (b) Tackling areas of deprivation considering the actions to re-shape people's economic, social and environmental conditions at each stage in their life to improve their wellbeing, quality of life and promote inclusive growth (Para 62).
- (c) Reflecting the impact of that planned investment will have on the demand for and delivery of public services, for example the impact of delivering 100,000 new homes (Para 18).
- (d) Moving progressively toward integrated health and social care to improve outcomes for residents and reduce pressure on A&E and avoidable admissions (Para 66).

² PUBLIC SERVICE REFORM Para 62. The Government and the Combined Authority will work with relevant central and local statutory and non-statutory sector partners to explore innovative and integrated approaches to redesigning sustainable public services across Cambridgeshire and Peterborough with a focus on prevention and early help. This includes the transfer of powers between the Combined Authority, the County Council, District Councils and Parish Councils to deliver the most efficient and effective public services. The Government and the Combined Authority will also focus on tackling socio-economic issues in areas of deprivation, such as parts of Fenland, Cambridge, Huntingdon and Peterborough, to improve the quality of life for local residents.

- (e) Exploring how to integrate responses to address the root causes of vulnerability (Para 69).
- (f) Developing integrated pathways of service delivery to address causes of offending behaviour early and creating a more integrated approach to criminal justice (Para 70).
- (g) Ensuring that proposed operational delivery solutions consider the optimum target operating model, independent of existing organisational boundaries.

1.15 There is a raft of partnership work relating to the priorities set out in the first devolution deal already in place, for example Sustainability and Transformation Plans, public health led work with deprived areas and work to reinvent offender pathways. Cambridgeshire County Council and Peterborough City Council have invested in Adults' and Children's health and social care transformation programmes, led by external experts (Cap Gemini, IMPOWER and Deloitte). These programmes build on best practice from the UK and around the world and address the priority themes identified in the devolution deal (a – e, g, para 1.14 above).

1.16 The public service reform programme provides an opportunity to bring together this existing work with independent expertise and innovative thinking from across the public and private sector alongside resource and capacity to speed up public service reform in Cambridgeshire and Peterborough.

The case for further devolution

1.17 Formal and informal feedback from Government has suggested that the Combined Authority should seek to make the case for further transfer of resources, power and accountability as it relates to health and social care, for consideration by Government in 2019.

2030 Ambition – Examples of Local Authority initiatives

1.18 The 2030 ambition provides the context for an outcomes-based approach to public service reform. Examples of how these outcomes are being delivered are highlighted below:

- (a) **Access to a good job within easy access of home** - in July 2017 the Combined Authority Board approved £4.65m grant funding for the first wave of 253 affordable new homes. The Affordable Housing Programme has also generated a pipeline for a further 685 new homes alongside the development of a number of strategic housing sites.

The Cambridgeshire and Peterborough Homelessness Trailblazer project is making targeted interventions to prevent homelessness and reduce the number of people on the homelessness register.

- (b) **A workforce for the modern world founded on investment in skills and education** –£5.2m of government funding has been secured for a Skills and Innovation Pay and Progression Pilot to up-skill 2000 people on universal credit into higher skilled health and care jobs, addressing skills shortages in this sector and supporting people to access skilled, better paid jobs.
- (c) **Healthy, thriving and prosperous communities** – the community of Wisbech experiences higher rates of poor health and income deprivation than communities elsewhere across the county and England. This is driven by a mixture of social and economic factors such as low levels of education achievement, lifestyle trends and cultural habits. The Wisbech 2020 Vision brings together public, private and third sector representatives, working in partnership and taking a multi-agency approach to support the social, economic and environmental regeneration of Wisbech and its surroundings. Within the health, wellbeing and cohesion theme, the Health Inequality Pilot is working with partners to tackle lifestyle factors and effects on coronary heart disease, diabetes, smoking, physical inactivity, alcohol and obesity focusing on vulnerable groups and deprived wards.

Cambridgeshire County Council and Peterborough City Council are piloting 'Neighbourhood Cares', taking a different approach to delivering adult social care by creating autonomous teams which are rooted in communities and have the freedom to act much more closely with community organisations and local people and across traditional structural boundaries and to provide seamless care.

- (d) **A high quality sustainable environment** – in support of the 2030 ambition to optimise use of local renewable energy and develop a thriving local energy market, the GCGP LEP, working with the New Anglia and Hertfordshire LEPs is developing a Local Energy Investment and Delivery Strategy. A deep-dive analysis on all 10 sub-sets of the national local energy priorities is being used to create a web-based dynamic portal to be used by Local Enterprise Partnerships (LEPs) and constituent local authorities to enable prioritisation of investment and delivery decisions.
- (e) **UK's capital of innovation and productivity** – the St Neots Masterplan for Growth provides a blueprint for the work that the Combined Authority, Huntingdonshire District Council and local partners plan to undertake to unlock growth in St Neots leading to a regeneration of the town. The masterplan will focus on creating a skilled workforce to support the industries within the town, attracting more businesses to locate to or grow in St Neots, creating new homes and community wellbeing. The plan will also consider arising opportunities such as the connectivity of the East – West corridor and the feasibility study already underway on the introduction of a rapid mass transport link between St Neots and Cambridge.

APPENDIX 2

PUBLIC SERVICE REFORM & INNOVATION COMMISSION

1.0

- 1.1. It is proposed to establish an independent Public Service Reform and Innovation Commission reporting to the Mayor and the Combined Authority of Peterborough and Cambridgeshire.
- 1.2. The suggested terms of reference for the Commission are outlined below. It is proposed that the Commission will:
 - (a) Provide objective and independent advice and critical thinking on ways to make the public sector in Cambridgeshire and Peterborough more effective, responsive and financially sustainable for the future, and in particular to consider the scope for bringing services closer to the people and communities they serve in individual places;
 - (b) Consider evidence on the likely future demands on public services, on developments in technology and practice, and on future trends in public revenue to fund services;
 - (c) Consider new ideas, innovation proposals and best practice from elsewhere, both in the UK and globally, that may be of value in improving services in Cambridgeshire and Peterborough;
 - (d) Make recommendations for achievable reforms to the way public services are delivered and funded, paying particular attention to the scope for bringing services closer to the people and communities they serve in individual places;
 - (e) Bring forward suggestions and recommendations about the levers that the Mayor and Combined Authority can influence to support delivery of the Commission's recommendations;
 - (f) Support the Combined Authority in making the case for public sector reform;
 - (g) Secure input from local partners, government departments, business, academia and subject experts to support the Combined Authority in making the case for public sector reform;
 - (h) Promote and foster a common understanding of the future development of the reform programme in support of the area's wider economic and social ambitions and the long-term drivers for change.

In the first instance, the Commission is invited to focus on supporting the Combined Authority's agreed programme of work on reform in the health and care sector during the autumn and winter 2018-19. The Commission is also invited to broaden its inquiry and report on the wider case for reform of the public sector in Cambridgeshire and Peterborough during 2019.

1.3. The initial membership of the Commission is:

- (a) Independent Chair
- (b) 4 independent directors

Supported by

- (c) Senior level officer to act as executive director to support the work of the Commission.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.4
26 SEPTEMBER 2018	PUBLIC REPORT

SOHAM RAIL STATION – BUDGET UPDATE

1.0 PURPOSE

- 1.1. The Cambridgeshire and Peterborough Combined Authority (CPCA) Order 2017 transferred the local transport planning powers to the Combined Authority and created the CPCA as the local transport authority for the area and created responsibility for strategic transport activity in the area.
- 1.2. The CPCA assumed responsibility for the Soham Rail station project in June 2018, with the intention to accelerate delivery for the project as much as possible. The project was transferred from Cambridgeshire County Council (CCC) to the Combined Authority and requires novation of the current contract between Network Rail and CCC to CPCA. This will ensure that legally the project lies with CPCA. The project, which has significant partner support, will reinstate the railway station at Soham, providing a direct link to Ely supporting regeneration and housing growth locally.
- 1.3. At present, the CPCA have allocated £1.5m to the delivery of the current phase. An additional £1.7m is required to continue with the completion of GRIP 3. In addition to this, a decision is sought to agree the DSA novation in principle and delegate to the Chief Finance Officer and Monitoring officer, in consultation with the Chair of the Transport Committee to agree the exact terms of the novation.
- 1.4. The project is currently at Network Rail's Governance for Railway Investment Projects (GRIP) Stage 3 – Option Selection. Network Rail (NR) is working to identify the most appropriate option that delivers the CPCA's requirements and confirm how the outputs can be economically delivered through to Approval in Principle (AIP). GRIP 3 is programmed to end in August 2019.
- 1.5. This report sets out why there is a need for the Combined Authority to provide additional funding. This will bring confidence to the delivery of the Soham Rail project in line with the Mayor's ambitions and the needs of residents, businesses and other partners and agencies over the long-term direction of transport in this

region. In addition to this, this report seeks agreement on the decision to novate the DSA, underwrite GRIP 1 and 2 and cover the associated costs of GRIP 3.

- 1.6. The Combined Authority Board is asked to approve the enclosed additional funding requirement for Soham.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer, Mayor
Lead Officer:	Chief Executive
Forward Plan Ref: 2018/026	Key Decision: Yes
<p>The Combined Authority Board is recommended to:</p> <ol style="list-style-type: none"> 1. Approve a budget of £1.7m for GRIP Stage 3 for the acceleration and delivery of the Soham Rail Station; 2. Agree the DSA novation in principle and delegate to the Chief Finance Officer and Monitoring officer, in consultation with the Chair of the Transport Committee, to agree the terms of the novation; 3. Note that verbal commitments have taken place to progress this project at an accelerated pace and identify opportunities for early delivery; 4. Agree that an update will be provided to the CPCA Board, or other nominated meeting, prior to the end of GRIP Stage 3 to outline progress to date and identify the CPCA's requirements for the delivery of GRIP Stages 4 – 8; 5. Note how this work fits within the opportunities that have been identified to accelerate the transport projects; as reviewed in the July board 	<p>Voting arrangements</p> <p>All members are required to be present for this item.</p> <p>Two thirds of the constituent council members must vote in favour to include Cambridgeshire County Council and Peterborough city Council</p>

2.0 BACKGROUND

- 2.1. The Cambridgeshire and Peterborough Combined Authority was formed on 28th March 2017, and from this date certain transport functions transferred to it by operation of law. A key component of these transport powers is the association with the growth agenda agreed as part of the Devolution Deal. As Soham grows, it is vital to ensure the necessary infrastructure and facilities are in place to support the continued growth of the town. Whilst the town has a railway line, there is no train station. The District Council and local community have aspirations for a railway station to be provided on the line (which runs between Peterborough and Ipswich/Harwich).
- 2.2. On the 28th March 2018, the CPCA approved a programme of transport projects, including an enabling budget of £1.5m for Soham Station in order to progress the project. This project will support the opportunities for growth in the Soham area and improve the interface between Soham and the surrounding countryside. Re-development will provide an attractive approach and setting to the new station building, as well as facilitating access.
- 2.3. Since that approval, the CPCA have been working with Cambridge County Council and has agreed to assume responsibility for the progress of this project. In doing so, a detailed Stage 3 cost estimate has been completed and the estimated cost for stage 3 has been revised to a total of £2.5m (£1.5m of which has already been allocated) as well as £0.5m of scope change. Approval of this budget envelope for Stage 3 and the underwriting of GRIP 1 and 2 will allow the completion of novation of the Network Rail DSA to the CPCA, therefore minimising delays to the project as a result of the shift in responsibilities.
- 2.4. The Soham Station project will deliver the following benefits:
 - (a) **Economy:** Increased growth in the Soham area as a result of the new station infrastructure and job growth
 - (b) **Housing:** Significant additional housing planned – new station adds sustainable capacity to support population growth
 - (c) **Quality of Life:** Improved access between Soham and Ely and wider region
 - (d) **Carbon:** Some decongestion on surrounding roads and improved public transport infrastructure
 - (e) **Transport:** Improvement of the existing transport network, relieving both short and long-term pressures on the network.
- 2.5. The objectives of the project are detailed in the below table.

LTP3 Objective	Impact	Description
Managing and delivering growth	Positive	<ul style="list-style-type: none"> Will provide significantly improved accessibility to rail network for residents of Soham, including to employment growth sites in Cambridge and Peterborough. Will support significant housing growth in Soham, and is likely to encourage business growth in the town.
Promoting improved skill levels and economic prosperity across the county, helping people into jobs and encouraging enterprise	Positive	<ul style="list-style-type: none"> Rail services will improve accessibility from Soham to Cambridge, Ely, Peterborough and beyond, widening employment opportunities for residents and enabling new business connections for employers in the town. Reduced traffic on the A142 will lead to reduced congestion, benefiting the local economy
Meeting the challenges of climate change and enhancing the natural environment	Positive	<ul style="list-style-type: none"> Reduced traffic on the A142 will lead to less congestion and reduced carbon dioxide emissions. Significantly improved sustainable transport access from Soham.
Enabling people to thrive, achieve their potential and improve their quality of life	Positive	<ul style="list-style-type: none"> Will provide significantly improved accessibility to rail network for residents of Soham, including to employment growth sites in Cambridge and Peterborough. Station will fully conform to the Disability Discrimination Act standards
Supporting and protecting vulnerable people	Positive	<ul style="list-style-type: none"> Secure station accreditation will be sought Station will fully conform to the Disability Discrimination Act standards

Progress to Date

- 2.6. The area surrounding the station has been safeguarded in the development plan for the last 20 years for the provision of a new station, and the land is currently owned by Network Rail. The remainder of the area has previously been identified as a preferred area for housing development, in the East Cambridgeshire Core Strategy (2009).
- 2.7. GRIP Stage 3 explores the Options available for the project and associated development, with the intention of working the preferred option up into a detailed design for GRIP Stage 4.
- 2.8. Before considering the next steps in the project it is important to understand the rationale behind the progression of the current GRIP Stage 3. This is being progressed on the basis that:
- (a) A number of 'quick wins' would be identified so that the final solution is delivered and timelines accelerated in line with the Mayor's ambitions. This would enable development of the site to progress. The principles of unlocking early project acceleration is strongly supported by the Combined Authority

- (b) A combination of railway capacity improvements and mode shift is essential to meeting longer term growth. Again, this point is accepted by the Combined Authority
 - (c) If the station is not constructed, Soham would not be able to meet its housing delivery projections over the next planned period as these are dependent upon significantly improving public transport infrastructure and as a result this would seriously undermine broader housing delivery and targets across the district. Soham can provide more affordable housing options if connectivity is improved. This also ties into the CPCA ambitions around housing, skills, jobs and growth.
- 2.9. Soham area at present does not have a rail station, although trains currently pass through the town. Opening up of a rail station in proximity to existing and proposed developments will provide the opportunity to facilitate this mode shift and encourage public transport usage as well as the benefits in terms of air pollution, decongestion and improvements in sustainable transport capacity.
- 2.10. Therefore, the work done to date, whilst valuable in moving the project forward, requires further development to create the final station solution that aligns with the Combined Authority's emerging transport strategies.

3.0 NEXT STEPS

- 3.1. Subject to this Board decision, the CPCA will proceed forward with the proposed project. The critical activities to this process are:
- (a) Complete the novation of the Soham DSA to the CPCA;
 - (b) Continue to develop the delivery programme and design for a preferred option and evaluate the value for money benefits of the 'quick wins' designed to accelerate the programme;
 - (c) Recommend a preferred single option for the project, taking into account the risks, issues and challenges of the options, and resulting delivery programme and deliver budget based upon that option.
 - (d) Develop the procurement strategy for GRIP Stage 4 – 8, with a view to ensuring that the project is accelerated as much as possible within appropriate risk scales;
 - (e) Ensure alignment with the CPCA's emerging transport strategies.
- 3.2. Board approval is being sought at this time to complete GRIP 3 - Option Selection and secure associated costs to do so (as outlined in Appendix F).

4.0 MAYORAL INTERIM TRANSPORT STRATEGY STATEMENT – RELATIONSHIP TO SOHAM

- 4.1. This section identifies the ways in which the Soham Rail Station project sits within the vision in the Mayoral Interim Transport Strategy Statement.

- 4.2. The core objectives are to plan for a future where all residents have better and more equitable travel choices; where efficient transport networks enable economic opportunity; and provide connectivity to allow all areas to be prosperous. Whether travelling by public transport, on foot, on a bike or by car, residents and businesses will be able to access all parts of the region safely and reliably. Soham Rail Station opens up the opportunity to achieve this whilst also sitting within a context that reflects the growing pressures on our climate and focus on sustaining a clean and green environment. The location of the station provides ease of access by walking or cycling, whilst also offering an alternative mode of transport to residents and commuters which is sustainable. As part of the Soham scheme, a new pedestrian and cycle link will be provided and a new footpath access. The station encourages a mode shift from private car use towards public transport. The station is also designed to be environmentally friendly and will be rated under BRE's CEEQUAL which ensures a high environmental quality standard.
- 4.3. In May the Combined Authority Board approved the Mayoral Interim Transport Strategy Statement. The purpose of the statement is to guide the development of the new LTP and to provide clear direction to transport projects that are either underway or soon to be developed. By providing this direction the expectation is that all schemes will be consistent with the key features and strategic framework that will emerge from the new LTP. The aim is to improve immediate decision making, accelerate delivery and achieve long term value for money.
- 4.4. The MITSS set out three guiding principles:
- **Economic growth and opportunity by connecting our dynamic workforce with a growing number of jobs;**
 - **Equity to ensure that all areas of the Combined Authority can prosper;**
 - **Environmental responsiveness by encouraging active and sustainable travel choices.**
- 4.5. The primary goals and targets set out in the MITSS are:
- Transforming public transport;
 - Designing integrated walking and cycling solutions;
 - Creating and upgrading our major road network;
 - Expanding transport access;
 - Creating effective travel choice;
 - Ensuring reliability of our network;
 - Improving safety;
 - Creating a network fit for the future.
- 4.6. The delivery of Soham Rail Station fits within all the above ambitions, including for example, an acute focus on health and safety to design out the risks from level crossings and eliminate any associated potential hazards.
- 4.7. In order to transform the current transport network and achieve the guiding principles set out above, the Combined Authority will focus its efforts on a number

of strategic transport projects, grouped around four corridors/areas; including the Soham Rail project which lies in the North - South corridor:

Corridor / Area	Transport Schemes
Metro	Cambridge Autonomous Metro
North - South	A10 upgrade, M11 extension, Ely Rail Improvements, Soham Station , Cambridge Rail Capacity Study, Huntingdon Third River Crossing; A141
East – West (North)	A47 Dualling Peterborough to Wisbech, Wisbech Rail, Wisbech Access, Wisbech Garden Town
East - West (South)	Oxford to Cambridge Expressway (A428), Cambridge South Station; A505 corridor, East-West Rail

- 4.8. The Combined Authority committed to reviewing these and the other transport schemes currently being promoted or developed by other local and regional organisations to assess their alignment with the approach set-out in the MITSS.
- 4.9. The Combined Authority has set out its strategy ambition for the area. Underpinning this is the transformation of our transport network which will help the region achieve its full economic potential; create equity in our transport and infrastructure provision so that all areas can prosper; ensure that environmental sustainability is at the heart of what we do; and help make Cambridgeshire and Peterborough a leading place in the world to live, learn and work.
- 4.10. The proposal for funding to deliver this stage of Soham sits alongside this and delivers on the ability to make the strategy a reality.

5.0 ACCELERATING DELIVERY

- 5.1. The Combined Authority is determined to use its unique position to alter the conventional approach to the delivery of transport infrastructure. The Combined Authority systematically examined each of the priority projects against the three areas below to identify opportunities for acceleration:
- (a) Process and programme management; efficient gateway decision making, rigorous and transparent systems;
 - (b) Funding and approach to risk; upfront funding, stage overlap, bulk procurement, bespoke planning strategy, alternative delivery route;
 - (c) Affecting the approvals system through targeted government lobbying.

- 5.2. These principles have been applied to Soham or are being developed and will continue to inform how the project is delivered as we go forward.
- 5.3. Soham station fits within the Combined Authority's strategic projects. The provision of additional funding will support the assessment of how delivery of the programme can be accelerated, providing the opportunity to:
- Clarify and identify features of the programme that can be run concurrently, recognise new opportunities and associated risks and the future financial commitment required for the scheme going forward into future stages
 - Improve the timeframes for transport scheme delivery
 - Take the scheme to the end of GRIP 3 for the technical handover to the Delivery Team
 - Reimburse Cambridgeshire County Council (CCC) who has been processing invoices to date
 - Novate the current DSA that lies with CCC so that the agreement is between NR and CPCA
- 5.4. Moving forward Network Rail will develop its approach in the short term as follows:
- Identify opportunities to accelerate design alongside planning
 - Identify opportunities for early survey work to be carried out on site
 - Identify opportunities for the CPCA to accelerate the powers process and faster decision-making
 - Identify funding that can enable forward resourcing and key decision points
- 5.5. A further review of the features and timeframes of all activities in the current programme will be undertaken and completed. This will be completed with support from the CPCA. The Soham team are aware of ongoing ambitions for further acceleration. Future updates will be provided to the Board to outline the associated risks and costs of acceleration as they emerge and any potential time-savings identified for decisions to be made against these.

6.0 FINANCIAL IMPLICATIONS

- 6.1. A budget of £1.5m was approved in March 2018 to move this project forward. The costs of delivering GRIP Stage 3 proposals has been revised and an additional budget of £1,697,120 is being requested in order to fund the project to the end of GRIP Stage 3. Included in this estimate is funding to provide the opportunity to accelerate the programme. A breakdown of this budget is available in Appendix F (Exempt).
- 6.2. This funding will be met from revenue funds. If the project proceeds to completion then, subject to the adoption of an appropriate accounting policy, costs may be capitalised under the Transforming Cities Fund. Without

prejudicing the outcome of GRIP 3 work, initial indications are that the resulting project, GRIP 4 to 8, will require funding of c£21.8m to deliver. This will need to be factored into CPCA budget planning but the figure cannot be finalised until the completion of this stage of the work and a full business case, subject to procurement.

- 6.3. Please refer to Appendix G for full breakdown estimate of the total overall cost of the Soham Rail project.

7.0 LEGAL IMPLICATIONS

- 7.1. The Combined Authority assumed the role of the Local Transport Authority by virtue of Article 8 of the Cambridgeshire and Peterborough Combined Authority Order 2017. The Combined Authority must exercise the statutory functions of the local transport authority under Part II Local Transport Act 2000 and Parts 4 & 5 of the Transport Act 1985 so as to achieve effective and efficient transport within the area.
- 7.2. The general power of competence was granted to the Combined Authority by virtue of Article 11 of the Cambridgeshire and Peterborough Combined Authority Order 2017 and enables the Combined Authority to rely upon the powers under Chapter 1 Part 1 of the Localism Act 2011. The Mayor's general power of competence exists under Article 12 of the 2017 Order.

8.0 SIGNIFICANT IMPLICATIONS

- 8.1. There are no other statutory matters to bring to the Board's attention.

9.0 APPENDICES

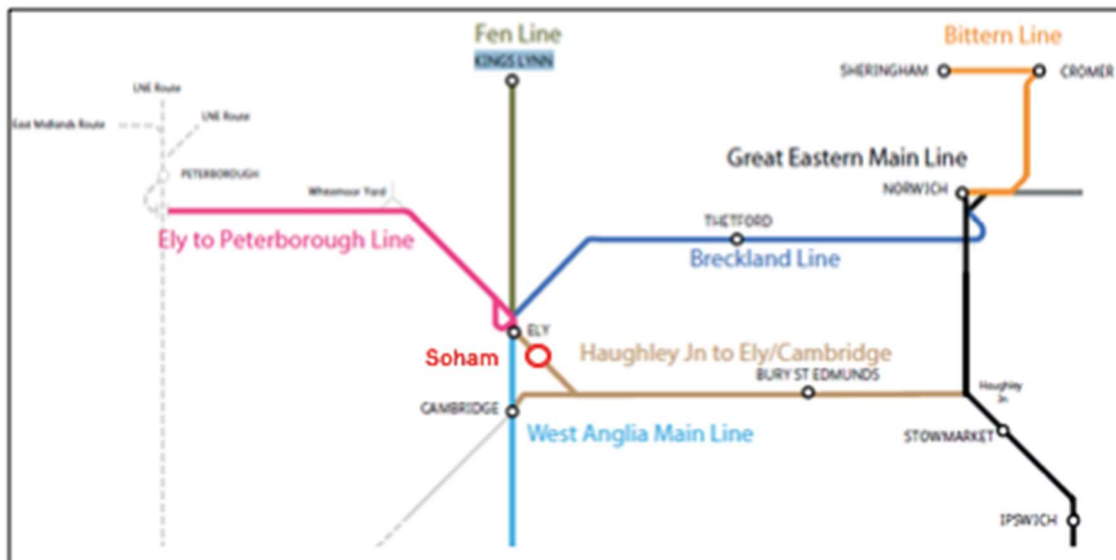
- 9.1. Appendices A-G

<u>Source Documents</u>	<u>Location</u>
Mayoral Interim Transport Strategy Statement	<p>Location of background papers:</p> <p>The Incubator 2, First Floor, Alconbury Weald Enterprise Campus, Alconbury Weald, Huntingdon, PE28 4WX</p> <p>https://cambridgeshirepeterborough.sharepoint.com/sites/CPCATeamSite/Shared%20Documents/Forms/AllItems.aspx?newTargetListUrl=%2Fsites%2FCPCATeamSite%2FShared%20Documents&viewpath=%2Fsites%2FCPCATeamSite%2FShared%20Documents%2FForms%2FAAllItems%2Easpx&id=%2Fsites%2FCPCATeamSite%2FShared%20Documents%2FProjects%2FSoham</p>
Soham SOBC	
Board Report: Accelerating Delivery	
Soham Station: DSA and draft Novation Agreement	

<p>Soham Station draft Amendment</p> <p>Soham Station Estimate: Network Rail</p>	<p>https://cmis.cambridgeshire.gov.uk/CCC_live/Document.ashx?czJKcaeAi5tUFL1DTL2UE4zNRBcoShgo=Fu1GCsTfr0Vv6YPLDxX9BI4C86cK%2bva5WkRDLjwRyxhzP2EozRhMPw%3d%3d&rUzwRPf%2bZ3zd4E7lkn8Lyw%3d%3d=pwRE6AGJFLDNih225F5QMaQWCtPHwdhUfCZ%2fLUQzgA2uL5jNRG4jdQ%3d%3d&mCTlbCubSFfXsDGW9lXnlq%3d%3d=hFflUdN3100%3d&kCx1AnS9%2fpWZQ40DXFvdEw%3d%3d=hFflUdN3100%3d&uJovDxwdjMPoYv%2bAJvYtyA%3d%3d=ctNJFf55vVA%3d&FgPIIEJYlotS%2bYGoBi5olA%3d%3d=NHdURQburHA%3d&d9Qjj0aq1Pd993jsyOJqFvmyB7X0CSQK=ctNJFf55vVA%3d&WGewmoAfeNR9xqBux0r1Q8Za60lavYmz=ctNJFf55vVA%3d&WGewmoAfeNQ16B2MHuCpMRKZMwaG1PaO=ctNJFf55vVA%3d</p>
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APPENDIX A -

Proposed location of new station. Ely area link; indicating the merge point for a number of key routes



APPENDIX B –

Accelerating delivery

Soham Station

Baseline

Baseline programme based on conventional approach and funding meant a station opening date of March 2022.

Opportunities

The following opportunities have been identified by officers to accelerate the programme:

Potential time saving	Description	Risks
Up to 2 months	Through upfront and advanced approval by CA board of GRIP 4-8 work	None
Up to 7 months	By continuing design concurrently with planning and the network change approval process.	Would require the Combined Authority to take the risk on potential redesign costs. That Network Rail do not agree to commence design work early and therefore to achieve time saving the Combined Authority would have to use an alternative supplier

Additional programme gains may also be achieved as follows:

Potential time saving	Description	Risks
Up to 1-2 months	Persuading Network Rail to amend their internal approval process prior to the appointment of the GRIP 4-8 team.	That Network Rail do not agree to amend their internal approval process
TBC	By procuring the GRIP 4-8 team with an emphasis on programme acceleration to better the timescales in Network Rails current programme.	None

APPENDIX C –

BREAKDOWN OF NR COSTS FOR GRIP 3 (*please note CPCA have already allocated £1.5m of the below costs. A period relates to NR's 4 week cycle):

Period 10	Invoice Number 1222594	£153,568.04
Period 11	Invoice Number 1223759	£49,841.40
Period 12	Invoice Number 1225098	£115,056.74
Period 13	Invoice Number 1226803	£168,081.82
Period 1	Invoice Number 1228503	£206,387.14
Period 2	Invoice Number 1229597	£197,287.49
Period 3	Invoice Number 1232073	£142,177.38
Period 4	Invoice Number TBC	£146,224.23
Period 5	Invoice Number TBC	£157,904.29
Period 6	Invoice Number TBC	£103,041.48
Period 7	Invoice Number TBC	£100,370.00
Period 8	Invoice Number TBC	£110,220.37

Period 9	Invoice Number TBC	£95,999.90
Period 10	Invoice Number TBC	£88,188.00
Period 11	Invoice Number TBC	£101,548.25
Period 12	Invoice Number TBC	£101,911.75
Period 13	Invoice Number TBC	£85,705.45
Period 1	Invoice Number TBC	£94,800.75
Period 2	Invoice Number TBC	£93,858.45
Period 3	Invoice Number TBC	£93,858.45
Period 4	Invoice Number TBC	£93,860.08
TOTALS:		£2,499,891.46

Additional costs for scope change:

CEs 1-3 - £183,875.06

Made up of CE 1 – Lifts and ramps £39,694.09

CE 2 – LXRA £6,512 + Mitigation £6042.99

CE 3 – Maintainer requirements £81,625.79

LXRA Impact (AHBs) - £261,398.28

NR Costs for 98 day delay to programme - £32,000 (already factored into existing programme)

CEEQUAL submission - £8,500

Total £485, 773.34

APPENDIX D -

Fees incurred by CCC with respect to Soham Station GRIP 3C project

Element	Date estimate	Cost estimate
CCC Legal Costs setting up amendment 1 to the DSA	Dec 17	£1080.86
CCC staff time from Jan 18 to June 18	June 18	£4,782.26
CCC Staff time from June 18 to completed handover	Aug-18	£8,000.00
CCC Invoices processing costs	Jun-19	£1,500.00
CCC legal costs involved in the handover of the project	Aug 18	£1,500.00
TOTAL:		£16,863.12

APPENDIX E -

Transport Delivery Board – March 2018

See link to previous Board Report:

<http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Transport-Delivery-2018-19-280318.pdf>

Greater Cambridgeshire Greater Peterborough Local Transport Body

Link to decision to allocate £1m funding to Soham as part of a group of transport projects to be funded:

https://ccc-live.storage.googleapis.com/upload/www.cambridgeshire.gov.uk/residents/travel-roads-and-parking/LTB_paper_and_shortlisted_schemes.pdf?inline=true

APPENDIX F -

COST BREAKDOWN FOR GRIP 3

- **£1,485,773.34** of additional funding is required for completion to the end of GRIP 3 including scope change. Please refer to Appendix C (Exempt) for a full breakdown of NR's GRIP 3 budget of £2.5m of which CPCA have currently allocated £1.5m towards plus additional scope change.
- **£8,500** is required as part of this for early registration on to the CEEQUAL sustainability standard for the rail project. This is to avoid delay to programme when incoming changes to the CEEQUAL standard come in next year.
- An additional **£40,200** is required for CA consultant staff costs based on 2 days per week until end of GRIP 3 in December 2019.
- An additional **£16,863.12** is required for CCC staff costs and services up until novation including handover, legal review and invoicing services.
- Given the early stage of the programme and that a preferred option has not yet been reached, a conservative approach to risk estimation has been adopted, in line with transport industry norms.
- An allowance for risk has been provided at 10% (est. £150k)
- Therefore, the total financial requirement for funding of GRIP 3 for Soham Rail station is £1.7m.

TABLE BREAKDOWN: ADDITIONAL FUNDING NEEDED FOR SOHAM STATION GRIP 3

GRIP 3 costs	£1,000,000
NR Scope change	£485,773.34
Consultants	£40,200.00
Cambridgeshire County Council for existing work up to handover and invoice processing costs	£16,863.12
Risk @10%	£154,283.65
TOTAL:	£1,697,120.00

APPENDIX G –

TOTAL FUNDING BREAKDOWN FOR SOHAM STATION GRIP 4-8

Scope	Doubling scheme, 2nr Platforms
Base date	3Q16
Group Element	£
Direct Construction Works	
1.01 Railway Control Systems	672,539
Train Power Systems	0
Electric Power and Plant	925,101
Permanent Way	1,105,940
Operational Telecom	75,820
Buildings and Property	5,034,227
Civil Engineering	375,018
Enabling Works	129,000
Total Direct Construction Works	8,317,645
Indirect Construction Works	
Preliminaries	1,850,530
Overheads and Profit	860,483
Total Indirect Construction works	2,711,013
Total Construction Works (GRIP 6)	11,028,658
Project / Design Team & Other Project Costs	
Design Team	1,562,790
Project Team	2,204,977
Other Project Costs	2,330,543
Total Project / Design Team & Other Project costs £	6,098,310
Point Estimate	17,126,968
Risk	
4.01	2,980,000
Proposal Estimate £	20,106,968
Escalation	
5.01	1,757,801
Estimated Project Outturn £	21,864,769
Cost of GRIP 4 & 5	10,347,124
GRIP 4 Estimate	5,173,562



CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 2.5
26 SEPTEMBER 2018	PUBLIC REPORT

BUSINESS RATE PILOT

1.0 PURPOSE

- 1.1 This report seeks ratification of the one year business rates retention pilot bid submitted to the Ministry of Housing, Communities and Local Government (MHCLG) on 25 September 2018.
- 1.2 It confirms the position that all councils will be compensated for their expected business rates for the year i.e. no council will suffer detriment as a result of this pilot and how any additionally retained growth above this level will be distributed.

<u>DECISION REQUIRED</u>	
Lead Member:	James Palmer - Mayor
Lead Officer:	Karl Fenlon, Interim Chief Finance Director
Forward Plan Ref: 2018/031	Key Decision: Yes
The Combined Authority Board is recommended to: (a) Ratify the Cambridgeshire and Peterborough 2019-20 Business Rates pilot bid submitted to MHCLG on the 25 th September 2018.	Voting arrangements Simple majority of all Members

2.0 BACKGROUND

- 2.1. In July 2018, the Government published an invitation to local authorities to pilot 75% business rates retention in 2019 to 2020.
- 2.2. Proposals have to be submitted by 25th September 2018. It is expected that the announcement of successful pilots will be made at the time of the local government finance settlement.
- 2.3. Due to the timeframes set out by MHCLG the Cambridgeshire and Peterborough bid has been submitted prior to Board approval, if the Board does not agree to ratify the submitted bid it will be withdrawn.

The 75% Business Rates Retention Pilots

- 2.4. Over the last two years, the Government launched 15 pilots of 100% business rates retention. The first wave were granted to five areas with ratified devolution deals, the second wave were awarded to 10 groups of local authorities (and the greater london area) and were awarded based on a competitive process.
- 2.5. These pilots retain 100% of business rates income and forego some existing grants. Over the pilot period they will retain all of their growth in business rates income.
- 2.6. The Government is now looking to create a third wave of pilot schemes, this time with 75% local growth retention to reflect the level of local growth retention in the planned national reform of the business rates system in 2020-21. The Government sees an opportunity for local authorities to work together as pools covering functional economic areas to make coherent strategic decisions about the wider area and to jointly manage risk and reward.
- 2.7. The pilots are also expected to test authorities' administration, technical planning for implementation, and to look at how the accounting, data collection and IT systems will work. The Government expects to learn from the pilots' experiences to inform the design of the national system of business rates retention.
- 2.8. Arrangements would also need to reflect the position of precepting authorities, such as Fire and Rescue authorities.
- 2.9. The Government has asked for pooled areas to propose a split for sharing additional growth and to see additional growth being used to either boost

further growth, promote the financial stability of the pooled area or a combination of both.

- 2.10. Unlike the previous two waves the Government has not agreed a 'no detriment' clause for the 2019/20 pilots. While this presents the possibility of a Constituent Council being worse off, for this to occur in practice Business Rates income would have to be c. £55m lower than forecast: this would represent a drop of over 20% of the total rates income across the Combined Authority area and thus is considered a minimal risk; it is nonetheless dealt with in the proposal.
- 2.11. Authorities selected as pilots for 2019/20 will be expected to forego Revenue Support Grant (RSG) and Rural Services Grant. The value of the grant foregone will be taken into account in setting revised tariffs and top-ups, which will be used to ensure that the changes are cost neutral, except for the value of any additional growth retained and the removal of the levy on growth.
- 2.12. It is expected that successful applications will be announced before or alongside the publication of the draft local government finance settlement.
- 2.13. The 2019/20 pilot programmes will last for one year only at which point they will be replaced with the new national scheme

Additional Business rates share calculations

- 2.14. Independent modelling of the financial benefits, carried out by Pixel, predict that the benefits of a pilot to the Combined Authority area would be an additional £20m being retained locally.

The Cambridgeshire and Peterborough area submission

- 2.15. The submission for our area included the seven constituent councils to the Cambridgeshire and Peterborough Combined Authority (CPCA) with Cambridgeshire County Council being the lead authority. The Lead Authority would be responsible for administering the scheme
- 2.16. The principles already set out in the pilot submission are that additional funds retained by the local area will be apportioned as follows:
 - If any individual authority is worse off as a result of being in the pilot, they will receive funding to put them back to the level they would have been in had they not participated in the pilot including any forgone grant from central government (an internal no-detriment clause) underwritten by the Combined Authority.
 - Costs related to the running of the pilot will be retained by the lead authority.
 - 10% (c. £2m) of the remaining funds will be ringfenced to create a Business Growth Fund, held by the Combined Authority to promote further growth across the area.

- 10% (c. £2m) will be split between the two Social Care Authorities (Cambridgeshire County Council and Peterborough City Council) in recognition that the costs of growth fall disproportionately on these authorities.
- The remaining 80% will be distributed per capita across all constituent authorities as set out below, using a 50:50 split between Districts and County in Cambridgeshire:

80% of additionally retained growth	£15.989m
Total population of CA area	849,035
Retained growth per capita	£18.83
50% of per capita for 2 tier areas	£9.42

Local Authority	Population	Lower Tier Allocation to Authority (£'000)	Upper Tier Allocation# (£'000)
Cambridge City	131,799	1,241	1,241
East Cambridgeshire	87,825	827	827
Fenland	100,182	943	943
Huntingdonshire	175,666	1,654	1,654
South Cambridgeshire	156,468	1,473	1,473
Peterborough City*	197,095	3,712	

* Peterborough CC uses the full per capita allocation as it is a unitary

For the 5 Cambridgeshire Districts the upper tier allocation is paid to Cambridgeshire County, totalling £6.14m

- 2.17. Given the strategic role of the Combined Authority, which covers the whole of the pilot geography, and the close alignment between the Business Growth Fund's aims and those of the Combined Authority and its Business Board this fund will be held and administered by the Combined Authority with projects seeking funding following the assurance and governance frameworks already in place within the Combined Authority.
- 2.18. As part of the bid it is required to set out what, if any, pooling arrangements are desired were a pilot not awarded. Based on modelling of the area's business rates top-ups and tariffs there is no benefit to creating a whole area business rates pool thus there will be no business rates pool created if the bid is not successful in securing a pilot.

3.0 FINANCIAL IMPLICATIONS

- 3.1. There are no matters to bring to the Board's attention other than those highlighted in the report.

4.0 LEGAL IMPLICATIONS

- 4.1. In designating a pool for 2019/20, the Ministry for Housing, Communities and Local Government (MHCLG) will attach conditions to the designation in accordance with paragraph 35(1) of Schedule 7B to the Local Government Finance Act 1988 by appointing a lead authority and requiring the authority to take the steps set out in its application in the event that the pool is dissolved.
- 4.2. MHCLG also reserves the right to attach such other conditions as it sees fit, in accordance with paragraph 35(2) of Schedule 7B.

5.0 SIGNIFICATE IMPLICATIONS

- 5.1. There are no other significant implications.

6.0 APPENDICES

- 6.1. Appendix 1 – The Cambridgeshire and Peterborough 75% business rates pilot bid.

<u>Source Documents</u>	<u>Location</u>
List background papers:	
MHCLG invitation to bid	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/728722/BRR_Pilots_19-20_Prospectus.pdf
Cambridgeshire and Peterborough 75% Business Rates Pilot Bid	To Follow



Ministry of Housing,
Communities &
Local Government

Business Rates Pilot Scheme 2019/20

Application Form

This application form will be used to assess your application to pilot 75% business rates retention in 2019/20. Where relevant, further evidence to support points raised in this form may be included as an annex. Please note that authorities cannot apply to pilot 75% business rates retention as part of more than one application.

Information provided in response to this application may be published or disclosed in accordance with the access to information regimes – these are primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 2018 (DPA), the EU General Data Protection Regulation, and the Environmental Information Regulations 2004).

The personal data you provide as part of this application will be held on a secure government system in line with the department's [personal data charter](#). Contact details will only be used for contacting you about your application or to update you on our work relating to local government finance reforms.

For any questions relating to the application process, please email:
Businessratespilots@communities.gsi.gov.uk.

FAQs relating to applications will be published on the Government publications website at <https://www.gov.uk/government/publications/75-business-rates-retention-pilots-2019-to-2020-prospectus>

1. Application Contact Details

Please include details of the lead pilot authority and lead official responsible for responding to any departmental queries relating to the pilot application.

a. Name of lead pilot authority	Cambridgeshire County Council
b. Name of lead official	Tom Kelly
c. Lead official job title	Head of Finance
d. Lead official email address	Tom.kelly@cambridgeshire.gov.uk
e. Lead official contact phone number	01223 703599

2. Membership of the Proposed Pool

Please list all authorities belonging to the proposed pilot pool below. The application cannot be considered valid unless all of the listed members have endorsed all parts of the application (see Annex A). You can insert/delete lines as needed.

For the authority type box, please write down one of the following options for each participating authority: (1) Fire; (2) London Borough; (3) Metropolitan district; (4) County; (5) Shire District; (6) Greater London Authority; (7) Unitary Authority.

Authority name	Authority Type
Cambridge City Council	Shire District
Cambridgeshire County Council	County
Cambridgeshire and Peterborough Combined Authority	Mayoral Combined Authority
East Cambridgeshire District Council	Shire District
Fenland District Council	Shire District
Huntingdonshire District Council	Shire District
Peterborough City Council	Unitary Authority
South Cambridgeshire District Council	Shire District

3. Membership details and pooling arrangements

Please answer all of the questions below using short and concise answers. Section 4 will allow you to outline your pilot proposal in more detail.

<p>a. Have all members included in the pilot area endorsed all parts of this application? <i>(Please ensure that Annex A is signed by s.151 officer of each area and returned as part of the application to evidence this.)</i></p>	<p>Select one:</p> <p>(1) Yes; (2) No</p>
<p>b. Do any members of the proposed pool belong to any other current pool? <i>(If 'no', please move to question 3.d.)</i></p>	<p>Select one:</p> <p>(1) Yes (2) No</p>
<p>c. If any members of the proposed pool belong to any other current pool, have other members of such pool been informed that the authority is applying to become a pilot as part of a different pool?</p>	<p>Select one:</p> <p>(1) Yes (2) No (3) N/A</p>
<p>d. Are there any precepting authorities that are not part of the proposed pilot area? <i>(If 'yes', please move to question 3.e.)</i></p>	<p>Select one:</p> <p>(1) Yes (The Cambridgeshire Fire and Rescue Service) (2) No</p>
<p>e. If there are any precepting authorities that are not part of the proposed pilot area, are these precepting authorities aware of this proposal?</p>	<p>Select one:</p> <p>(1) Yes (2) No (3) N/A</p>
<p>f. Are all members of the proposed pilot area willing to collaborate with MHCLG officials on system design of the new business rates retention system, sharing additional data and information, as required?</p>	<p>Select one:</p> <p>(1) Yes (2) No</p>

<p>g. How does the pilot pool propose to split non-domestic rating income in two-tier areas?*</p> <p><i>(F.ex. the pilot pool could propose to split the shares as in the current 50% business rates retention, or propose to test different kinds of tier split arrangements as part of the pilot.)</i></p> <p><i>(*The department will use this information in regulations to designate a tier split for the pooled pilot area. In practice, the pilot pool will be given one overall tariff or top-up, and the members of the pool can agree to change the headline tier split.)</i></p>	<p>In the two-tier section of the area (Cambridgeshire) a 50:50 tier split will be used.</p> <p>This tier split only applies to the 80% of additionally retained rates which are shared between all the constituent authorities.</p> <p>This 80% is allocated on a per-capita basis across the area. This per-person allocation this is shared 50% to upper tier and 50% to lower tier (Peterborough City Council is a unitary and thus retains the full amount) – this is shown in detail in section 4b.</p>
<p>h. Do you propose to retain any of the additional 25% of retained business rates in an investment pot or similar and distribute this after 2019/20?</p> <p><i>(If 'no', please move to question 3.j.)</i></p>	<p><i>Select one:</i></p> <p><i>(1) Yes</i> <i>(2) No</i></p>
<p>i. If any of the additional 25% of retained business rates are kept in an investment pot or similar, how will this be distributed after 2019/20?</p>	<p>10% of additional growth will be allocated to a business growth fund.</p> <p>This fund will be held by the Combined Authority; project sponsors will propose bids for funding to the Cambridgeshire and Peterborough Business Board (the area's LEP). These proposals must have clear benefits to local businesses and contribute to the growth of GVA and business rates in the area.</p> <p>Using the existing Business Board ensures that funds will be allocated with appropriate oversight in accordance with the local and national LEP assurance frameworks.</p>
<p>j. What is the anticipated income above baseline funding level for the pilot pool over 2019/20 (in £)?</p>	<p>Independent modelling based on NNDR1s suggest the income above baseline for the pool would be £36.059m in 2019/20.</p>

<p>k. What is the business rates base of the proposed pilot area like and what is its relevance to the economic geography of the area?</p> <p><i>(F.ex. you could describe the size and types of hereditaments in the area, business sectors relevant to the area, or the size of your business rates base in relation to baseline funding levels.)</i></p>	<p>The area has recently commissioned an independent review of the Cambridgeshire and Peterborough economy which is published at www.cpier.org.uk. This analysis finds that recent employment growth is 3.3% per annum, rather than the 2.4% suggested by ONS calculations.</p> <p>The review finds evidence of sector strengths and specialisms in;</p> <ul style="list-style-type: none"> • Manufacturing, Advanced Manufacturing and Materials • Life Sciences • IT and Digital • Logistics and Distribution • Education • Professional Services • Agri-tech
<p>l. What pooling arrangements would the members of the pilot like to see if their application to become a pilot is unsuccessful?</p>	<p>If the application to become a pilot is unsuccessful we would not like to see any pooling arrangements.</p> <p>A whole area pool would retain a large net tariff and a 41% levy rate thus there is no financial benefit to entering into a pool outside of a pilot.</p> <p>While there are potentially beneficial pools including a subset of the Authorities this approach is not considered compatible with the joint working ethos prized in the area.</p>
<p>m. How would the pilot area deal with residual benefits/liabilities once the pilot ends?</p>	<p>All residual benefits or liabilities will be distributed in line with the sharing of additional growth during the pilot period i.e.</p> <p>Cambridge City – 6.2% Cambridgeshire – 38.4% Cambridgeshire and Peterborough CA (Business growth fund) – 10.0% East Cambridgeshire – 4.1% Fenland – 4.7% Huntingdonshire – 8.3% Peterborough City – 20.9% South Cambridgeshire – 7.4%</p>

4. Details of the pilot proposal

Please explain how your proposal fulfills each of the below criteria for becoming a 75% business rates retention pilot in 2019/20 (as outlined in 3.2 of the 'Invitation to Local Authorities in England to

pilot 75% Business Rates Retention in 2019/20'). If relevant, you may reference answers provided in section 3 of this application form and use this section to provide more detail on the responses. Although there is no formal word limit for answers provided in this section, please be as concise as possible.

a. How does the proposed pilot operate across a functional economic area?

The Independent Economic Review referenced in box k concludes that there are three functional economic areas within Cambridgeshire and Peterborough. These three economies have unique characteristics and features, as well as important connectivity between one another. They are; Greater Cambridge, Greater Peterborough and the Fens. There are parts of Cambridgeshire and Peterborough (such as East Cambridgeshire and Huntingdonshire) which look to more than one of these economies.

The review draws data from commuting patterns, housing markets and supply chains to define these functional economic areas, which were then published in an interim report and tested through stakeholder consultation. This engagement found local recognition of the three-economy depiction, and value in terms of developing policy responses tailored to the unique needs of each.

As would be expected, these functional economic areas do not stop at the Cambridgeshire and Peterborough border. They extend out to surrounding communities and along strategic corridors to the North, South, East and West of the area.

Crucially, the review finds that the future of these three economies will and should involve them becoming closer and closer over time. For example, with the northern parts of the Fen economy establishing stronger links with Peterborough, and the southern parts becoming more connected to the Cambridge economy.

b. How does the pilot area propose to distribute and use the additional 25% of retained business rates growth across the pilot area?

The first call on the pooled rates income will be to ensure all authorities are in the same financial position that they would have been in had they still been in the 50% scheme (an internal no-detriment clause) underwritten by the Combined Authority.

The costs incurred by the Lead Authority in administering the scheme will then be reimbursed.

10% of the retained growth above this will be split between Cambridgeshire County Council and Peterborough City Council based on a per-capita allocation in recognition that the costs of growth fall disproportionately on upper tier authorities in the form of increased Social Care and Highways maintenance costs.

10% is to be allocated to the creation of a Business Growth Fund. As described above, this will be held by the Combined Authority, ringfenced to projects which promote economic growth in the area and all decisions on the use of this funding will require recommendation from the Business Board (the area's Local Enterprise Partnership).

Examples of projects which have been awarded funding by the LEP to promote economic growth to date include grant funding for the Cambridge Biomedical Innovation Centre and the provision of financing the purchase and refurbishment of Ashwell Business Park which, as of December 2017, had 104 tenants creating employment for 239 people.

The remaining 80% will be split between the constituent authorities based on population, using a 50:50 tier split in Cambridgeshire as shown below:

80% of total additionally retained growth = £15.989m
 Total population of Combined Authority Area = 849,035
 Retained growth per capita allocation = £18.83
 50% of per-capita for 2 tier areas = £9.42

Local Authority	Population (ONS)	Lower Tier Allocation to Authority (£'000)	Upper Tier Allocation# (£'000)
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South Cambridgeshire	156,468	1,473	1,473
Peterborough City*	197,095	3,712	

* Peterborough CC uses the full per capita allocation as it is a unitary

For the 5 Cambridgeshire Districts the upper tier allocation is paid to Cambridgeshire County, totaling £6.14m

The funding allocated directly to constituent authorities will be utilised to promote financial sustainability, below are examples of how one of the Districts (Fenland) and one Upper Tier authority (Cambridgeshire) will do this:

Fenland

Fenland District Council covers approximately 200 square miles within the County of Cambridgeshire. It is a rural and sparsely populated district with many diverse communities, each with very different needs.

The Cambridgeshire and Peterborough Independent Economic Review (CPIER) report identifies three different economies in the Cambridgeshire and Peterborough Combined Authority Area.

These are;

- The "Greater Cambridge" area – Cambridge, South Cambridgeshire, and parts of Huntingdonshire and East Cambridgeshire.
- The "Greater Peterborough" Area
- The Fens: mainly agricultural and rural Market Towns.

The Fens are considered the most challenged economically of the three, particularly in respect of the socio-economic makeup of the market towns and the specific pressures on the agricultural sector with steep reductions in price of agricultural output and high reliance on low cost labour which has been met by migrants, leaving the sector with a challenge as Brexit approaches.

The Council's Medium Term Financial Plan sets out savings totaling £3.1million between 2016 and 2020. This creates a challenging financial climate to continue to provide a high standard of service to the residents and businesses in the district especially with the uncertainty in respect of the outcome of the Fair Funding Review and the future Local Government Finance system from 2020/21. Due to the rurality and geography of the Fens the cost of providing statutory services such as refuse collection, environmental health, parks and recreational services, is proportionally higher than those experienced in compact areas.

Fenland District Council does face challenges. The Council recognises that deprivation (80th out of 326 most deprived areas in the country) brings unique challenges, particularly around education and health. With the extra funding and working with partners, the Council will be able to continue to deliver projects that improve the quality of life for local people.

The share of additional retained business rates from the pilot will allow the Council to fund some of the 'invest to save' projects on its transformation journey and also to be able to work with partners to support the work on the Market Towns and linking it up with the Local Industrial Strategy.

The additional funding to the council from the retained 75% business rates pilot will provide it with the means to create the medium term financial stability for continued provision of the high quality services and also put it in a position to work with the Cambridgeshire and Peterborough Combined Authority and Cambridgeshire County Council, on the growth and infrastructure plans and implementation in the Fens.

Cambridgeshire

The financial challenges facing local authorities with care responsibilities are well documented nationally. However those within Cambridgeshire are exacerbated by a set of circumstances that is unique to this County. Without any changes to RSG the County Council will be in a negative RSG position of £7m in 2019/20 and until recently was in receipt of the worst funding for its schools in the country. Whilst areas of the county have less deprivation than many other parts of the country this does hide the issues of rural isolation and deprivation seen in the Fens. We also have one of the most challenged health economies in the country and this places significant pressures on the relationship between the health and care sectors.

This position is exacerbated by the fact that Cambridgeshire is one of the fastest growing counties in the country. Whilst the county undoubtedly benefits economically from this growth it does place a significant burden on all local authorities in general but significantly more so on the county council. Be it highway infrastructure, to ensure that the growing workforce is able to move around the county; or the provision of new schools, to help educate the children of the inward migration of families; or simply managing the growth in demand for care services the County Council can no longer deliver all of these services. It is therefore faced with some very stark options if no other support mechanisms are put in place. To put this in to context only a few years ago the County Council received £114m of RSG but in 2019 this becomes negative RSG of £7m.

This reduction of £121m funding is during a period where the demand for services has significantly increased and has therefore had a serious impact on service delivery. We have done all we can to minimize this impact. We have delivered significant transformation of services, we have developed a commercial approach and strategy and we have implemented many alternative service delivery vehicles. However we are reaching the end of the road and now we must turn to serious service cuts. We are currently facing an unfunded budget gap of in excess of £20m for next year in addition to all the savings that have already been built in to the base budget. Without help the current service delivery levels are unsustainable and we will have to cut some key services to our communities. Things like early intervention, household recycling centres, winter gritting are all being considered.

As a net contributor to national GVA our residents deserve better. To ensure that Cambridgeshire continues to support the Governments growth agenda it is imperative that basic public sector services are retained. Without our ability to provide these services the 'offer' that has attracted so much commercial inward investment in to Cambridgeshire will naturally chose other more favorable international option.

c. How does the pilot area propose to arrange its governance for strategic decision-making around the management of risk and reward? How do the governance arrangements support proposed pooling arrangements?

Cambridgeshire County Council will handle the day to day administration of the pool.

There is a pre-existing quarterly meeting of the region's CFOs, including all the authorities involved in this bid, as well as the Fire Authority. A standing item regarding the pool's finances will be added to the agenda at which the County Council will present an update on the pool's financial position and the required transfers between LAs will be agreed. This will also be the forum for highlighting any emerging changes to the risks and rewards within the pilot.

The Business Growth Fund will be held by the Combined Authority as Accountable Body for the Business Board and accounted for separately to their own funds. This fund will be ringfenced for projects which accelerate or increase the growth of business rates in the area and proposals for funding will follow the Business Board's pre-existing assurance framework, ensuring that value for money and transparency are achieved and maintained.

As the area is a Mayoral Combined Authority, the Combined Authority Board is perfectly positioned to provide public scrutiny, and political oversight, of the pilot. The Board is made up of the Leaders of all the authorities involved in the bids as well as the Chair of the Business Board thus it provides representation

for all the key stakeholders in the pool. The quarterly report on pilot finances from the CFOs meeting and recommendations for project funding from the Business Board will be presented to the CPCA Board.

5. Submitting your application

Please return this form and Annex A with signatures of all s.151 officers from proposed pilot pool's member areas by the deadline of 25 September 2018. Where relevant, further evidence of points raised in this form may be included as an annex.

Please submit your completed application to:

businessratespilots@communities.gsi.gov.uk

or

Business Rates Reform; Local Government Finance; Fry Building, 2 Marsham St, Westminster, London SW1P 4DF.



Annex A – Evidence of authorisation

a. Name of lead pilot authority	Cambridgeshire County Council
b. Name of lead official	Tom Kelly
c. Lead official job title	Head of Finance
d. Lead official email address	Tom.kelly@cambridgeshire.gov.uk
e. Lead official contact phone number	01223 703599

Please include the signatures of each member area's s.151 officer to evidence that all parts of your application have been fully endorsed by authorities listed in section 2 of the pilot application form. You can insert/delete lines as needed.

Authority name	Name of s.151 officer	Signature
Cambridge City Council	Caroline Ryba	
Cambridgeshire County Council	Chris Malyon	
Cambridgeshire and Peterborough Combined Authority	Karl Fenlon	
East Cambridgeshire District Council	Ian Smith	
Fenland District Council	Kamal Mehta	
Huntingdonshire District Council	Clive Mason	
Peterborough City Council	Peter Carpenter	
South Cambridgeshire District Council	Alex Colyer	

Agenda Item 3.1

Business Board Meeting – 23 July 2018

The decisions of the Business Board are set out below:

The Combined Authority are asked to ratify all the decisions of the Business Board held on 23 July 2018

The agenda, reports and minutes of the Business Board are published on the combined authority website at <http://cambridgeshirepeterborough-ca.gov.uk/meetings/business-board-meeting-23rd-july-2018/>

Date	Reference	Issue	Decision
23/07/18	Minute 25	Apologies and Declarations of Interest	Received apologies from Professor Andy Neely and Councillor Lance Stanbury.
23/07/18	Minute 26	Minutes of Meeting – 25 th June 2018	Agreed the minutes of the Board meeting held on 25 th June 2018 as a correct record.
23/07/18	Minute 27	Appointment of Substitute Members	Noted the appointments of substitute members as reported orally.
23/07/18	Minute 28	Business Board Membership	Noted the continued approach being undertaken to market-test interest in membership of the Business Board. Noted the next steps of the recruitment process, leading to the appointment of an industry Business Board Chair and members by September 2018.
23/07/18	Minute 29	Forward Plan	Noted the Forward Plan.

Date	Reference	Issue	Decision
23/07/18	Minute 30	Cambridgeshire and Peterborough Independent Economic Review – Progress Review	<p>Noted recent progress towards the completion of the Review.</p> <p>Noted the response made by the Combined Authority to inform the final Review, alongside those responses made directly by constituent partners.</p> <p>Agreed to report the Business Board’s comments to the Combined Authority Board on 25th July.</p> <p>Noted the final tranche of funding provided to complete the Review, in preparation for the development of the Local Industrial Strategy.</p>

Date	Reference	Issue	Decision
23/07/18	Minute 31	Skills Strategy – Work Readiness and Careers Promotion Pilot	<p>Noted the proposal for the creation of a work readiness and careers promotion pilot.</p> <p>Supported the principle of the allocation of grant funding to a limit of £350,000 over three years to fund the pilot.</p> <p>Noted that the Chief Executive, in consultation with the Chief Finance Officer, Director of Skills and the Portfolio Holder Fiscal will request the development of a full business case by the scheme promoters. The draw-down of funds to be dependent on passing appropriate value of money tests.</p> <p>Recommend to the Combined Authority that the business case should include a specific mechanism for evaluation, so that an improvements in young people's skills and outcomes could be measured. This should include appropriate measures to monitor the effectiveness of the scheme.</p> <p>Had no objection to the proposal to delegate to the Director of Skills to agree and approve a relevant funding agreement and programme reporting and delivery arrangements.</p> <p>Agreed to report the Business Board's recommendations to the Combined Authority Board on 25th July.</p>

Date	Reference	Issue	Decision
23/07/18	Minute 32	Adult Education Budget Devolution Readiness Conditions and Next Steps to Implementation	<p>Noted the Readiness Conditions for the Adult Education Budget (AEB) submitted to the Department for Education on the 18th May 2018, as set out in Appendix 1 to the report, and the next steps for the devolution process.</p> <p>Noted the Cambridgeshire and Peterborough Combined Authority AEB Skills Plan, including the policies and actions set out in the plan (Appendix 2 to the report).</p> <p>Had no objection to the Business Board take on the role of the Skills Board, reporting into the Combined Authority's proposed Skills Committee, and the terms of reference set out in 4.2 of the plan be included in the Business Board's terms of reference.</p> <p>Had no objection to the principle of the Cambridgeshire and Peterborough Combined Authority's intention to fund ongoing system costs (including staffing) of EB devolution from 2019 by allocating up to 4.9% of programme money for this purpose.</p> <p>Noted the amount of funding allocation and the mechanisms are yet to be determined until a full costing business case is developed and agreed by the Board at a future meeting.</p> <p>Agreed to report the Business Board's recommendations to the Combined Authority Board on 25th July.</p>

Date	Reference	Issue	Decision
23/07/18	Minute 33	Growth Programme Update	<p>Noted the submission of the Q4 2017-18 Growth Deal monitoring report to government on the basis of the programme summary in the report.</p> <p>Noted the programme position for Quarter 1 2018/19.</p> <p>Noted the forward schedule of payments to contracted Growth Deal projects and Growing Places Fund projects and authorize the Combined Authority Chief Executive and Section 151 Officer to make payments in line with the schedule.</p> <p>Noted the proposal for an independent interim programme evaluation of the Growth Deal and growing Places Fund and a budget of £40,000.</p> <p>Requested a further report on the Growth Programme to the next meeting.</p>
23/07/18	Minute 34	Date of Next Meeting	Noted the date of the next meeting.



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.2
26 SEPTEMBER 2018	PUBLIC REPORT

MEMBERSHIP OF BUSINESS BOARD

1.0 PURPOSE

- 1.1. The shadow Business Board on 24 September will be asked to agree the membership of the Business Board, following a recruitment campaign and interview process for private sector members. The new Business Board will meet following the interim Board and will appoint a Chair and Vice Chair.
- 1.2. The shadow Business Board's and the new Board's decisions will be reported orally at the meeting and the Combined Authority Board will be asked to note their decisions.

<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Business Board
Lead Officer:	Harriet Fear and John Hill, Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
<p>The Combined Authority Board is asked to note:</p> <p>(a) the appointments of private sector members to the Business Board as for a period of 3 years until September 2021. (To be reported orally)</p> <p>(b) the appointment of a Chair and Vice-Chair for a period of 3 years until September 2021. (To be reported orally)</p> <p>(c) the Chair of the Business Board will be a voting member of the Combined Authority Board. The</p>	<p>Voting arrangements</p> <p>No vote required</p>

Vice Chair will be a non- voting member of the Combined Authority Board except when substituting for the Chair.	
The decisions of the shadow Business Board and the new Business Board to be reported orally.	

2.0 MEMBERSHIP

2.1. The Business Board at its earlier meeting prior to a recruitment campaign agreed the membership of the Business Board should comprise:

- (a) Two public sector members
- (b) Eight private sector members.

Public Sector Representatives

2.2. In accordance with the Business Board constitution, the Mayor and the Portfolio for Economic Growth of the Combined Authority shall be a member of the Business Board by virtue of their office. The Combined Authority may appoint at least one Substitute Member to act in their absence.

2.3. The Devolution Deal stated that the Mayor will be a member of the LEP, alongside the other members of the Combined Authority, recognising the importance of the LEP role and the private sector in growth strategies or delivery.

2.4. The public sector members and substitute members are:

Member			Substitute Member
James Palmer	Mayor	Cambridgeshire and Peterborough Combined Authority	Cllr Steve Count
Councillor Charles Roberts	Economic Growth Portfolio Holder	Cambridgeshire and Peterborough Combined Authority	Cllr Anna Bailey

2.5. The term of office of **public sector** members and substitute members appointed by the Combined Authority is at their discretion; the Combined Authority Board may terminate their appointment or appoint a representative at any time, to take effect on receipt of a notice by the Combined Authority's Legal Counsel and Monitoring Officer.

Private Sector Representatives

- 2.6. The expectation was that 8 of the 10 members of the new Business Board will be from the business community. One of those needs to be representative of SME's (small and medium sized enterprises) and one to be representative of academia.
- 2.7. Applications were encouraged from across the UK and specifically from those with significant expertise, knowledge and gravitas in those key sectors within our area:
- (a) Life Sciences and Healthcare
 - (b) Advanced Manufacturing
 - (c) Agritech
 - (d) ICT, Digital and Creative

The Short-listing process

- 2.8. The Combined Authority received 18 formal applications for the Business Board.
- 2.9. The Shortlisting panel comprised:
- (a) The Mayor, James Palmer
 - (b) The Deputy Mayor (and Shadow Business Board Chair), Cllr Roberts
 - (c) The Chief Executive of the Combined Authority, Martin Whiteley
 - (d) Richard Tunnicliffe, representative of the CBI
- 2.10. The Shadow Business Board currently includes Cllr Lance Stanbury and Cllr Wayne Fitzgerald. They were both invited to be involved in the short-listing process were not available to be involved in the short-listing process.
- 2.11. The short-listing was undertaken by use of a skills matrix. The skills matrix was compiled taking into account the specification, profile and requirements of Business Board membership outlined in a previous Board report. The shortlisting panel marked each candidate against the competencies in the matrix.
- 2.12. As a result, 10 candidates were short-listed who were considered on paper to, between them, have all the competencies required for an exceptional Business Board (sector expertise, academic interest, SME understanding etc).

The Interview process

- 2.13. The Interview Panel comprised the current Shadow Business Board.
- 2.14. This was not formerly advised in a Board report but was considered (in consultation with BEIS) to be a robust and appropriate way of undertaking the Interview process as a model of good practice.

Results

- 2.15. Interview Panels took place in August and early September and comprised combinations of:
- (a) The Mayor, James Palmer
 - (b) The Deputy Mayor (and Shadow Business Board Chair), Cllr Roberts
 - (c) The Monitoring Officer, Kim Sawyer
 - (d) Cllr Wayne Fitzgerald (Shadow Business Board member)
 - (e) Cllr Lance Stanbury (Shadow Business Board member)

Interviews

- 2.16. Following the interview process, the shadow Business Board on 24 September will be asked to agree the proposed membership as follows:

Member	Sector	Organisation
Austen Adams	Advanced Manufacturing	Stainless Metalcraft/Peter Brotherhood
Douglass Cuff	Life Sciences and Healthcare	BioMed Realty
William Haire	Agri-tech	East of England Agricultural Society
Aamir Khalid	Advanced Manufacturing and Skills	The Welding Institute (TWI)
Mark Dorsett	Advanced Manufacturing	Perkins Engines/Caterpillar UK
Andy Neely	Education	University of Cambridge
Tina Barsby	Agri-tech	NIAB

- 2.17. Of the 7 candidates the Interview Panel deemed successful, they are, in the opinion of the Panel, key opinion leaders with exceptional gravitas and experience. Their areas of expertise between them include: the academic/education sector, advanced manufacturing, agritech and life sciences specialisms as well as significant and strong international focus, a deep and broad knowledge across the whole region and direct and formal involvement in the Cambridgeshire and Peterborough Independent Economic Commission (and Review). Importantly, a number of them have a very keen interest in, and understanding of, the skills agenda.

2.18. On appointment, Board members are required to sign a declaration affirming their understanding and commitment to the Code of Conduct.

2.19. Within the period of 28 days of the appointment being made to the Business Board, the Business Board must publish a notice on the Combined Authority's website which:

- (a) states that it has made an appointment;
- (b) identifies each Business Board member who has been appointed and any substitute members; and
- (c) specifies the term of office of those appointed
- (d) Publish the members' and substitute members' register of interest form.

2.20. The term of office for **private sector representatives** will normally be a maximum of 3 years, and subject to a maximum of three consecutive terms. unless:

- (a) they cease to qualify to be a member of the Business Board;
- (b) they resign from their membership and communicate this in writing to the Legal Counsel and Monitoring Officer; or
- (c) the Business Board terminates the membership of any private sector representative which it may do at any time.

Strengthening Local Enterprise Partnerships (LEP) – Government reviews

2.21. The LEP Review that issued in late July has given a clear steer that Business Boards should:

- (a) Have at least two thirds of the Business Board members from private sector representatives and the Board should not exceed a maximum of 20 members (we are very much on-track with this)
- (b) In accordance with Government guidance, aim to have equal representation of men and women by 2023 and a minimum of a third women's representation on their boards by 2020 (2 of the 10 short-listed candidates are female)
- (c) Recognise the importance of diversity

2.22. Of the 10 shortlisted candidates, two are female. Of the long-list of formal applications, 3 of the 18 are female.

3.0 APPOINTMENT OF CHAIR AND VICE CHAIR

- 3.1. Following the shadow Board meeting on 24 September, the new Business Board will meet and will be required to appoint a private sector representative as Chair and Vice Chair.
- 3.2. The Chair and Vice Chair should be appointed following an open, transparent and non-discriminatory recruitment process which assesses each candidate on merit carried out in accordance with the Business Board's diversity statement, Government Guidance and the Nolan Principles.
- 3.3. The advertisement for recruitment to the Business Board called for expressions of interest in 'membership' of the Business Board. Not specifically 'Chair' or 'member' status. The Short-listing panel scored candidates against Chair competencies where appropriate as well as Member competencies and the Interview Panel had questions specifically Chair-related.
- 3.4. The Business Board's decision will be reported orally at the meeting of the Combined Authority Board.
- 3.5. The terms of the appointment will be set out in an appointment letter from the Combined Authority to the Chair and Vice Chair. A person ceases to be Chair or Deputy Chair if they cease to be a Business Board member. It is proposed that the Chair and Vice Chair of the Business Board be appointed for a period of 3 years until September 2021.
- 3.6. The Chair will be a voting member of the Combined Authority Board. The Vice Chair will be a non-voting member of the Combined Authority Board except when substituting for the Chair.

FUTURE APPOINTMENTS TO THE BOARD

- 3.7. The Business Board will also be asked to agree their constitution that proposes that in future appointments be made by an appointments panel.

4.0 FINANCIAL IMPLICATIONS

- 4.1. There are no financial implications.

5.0 LEGAL IMPLICATIONS

- 5.1. The Devolution Deal stated that the Mayor will be a member of the LEP, alongside the other members of the Combined Authority, recognising the importance of the LEP role and the private sector in growth strategies or delivery. (Page 7)

6.0 SIGNIFICANT IMPLICATIONS

6.1. None at this stage

7.0 APPENDICES

7.1. None

<u>Source Documents</u>
List background papers: Cambridgeshire and Peterborough Devolution Deal https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/600239/Cambridgeshire_and_Peterborough_Devolution_Deal.pdf



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.3
26 SEPTEMBER 2018	PUBLIC REPORT

CAMBRIDGESHIRE AND PETERBOROUGH INDEPENDENT ECONOMIC REVIEW

1.0 PURPOSE

- 1.1. Through the Business Board, the development of the Local Industrial Strategy for Cambridgeshire and Peterborough is being led by local industry.
- 1.2. Our Local Industrial Strategy will set out clearly what the economic growth potential of this region is, across all of our diverse places and communities. Critically it will agree the priority actions and interventions that are needed to achieve ambitious levels of future prosperity.
- 1.3. To ensure the Local Industrial Strategy has this level of impact the Business Board, Combined Authority, and Cambridge Ahead, have jointly commissioned the Cambridgeshire and Peterborough Independent Economic Review (CPIER). This is the most in-depth review ever undertaken of our area, it has been led by an Independent Commission made up of leading national economic, business and political figures. It has been chaired by Dame Kate Barker.
- 1.4. The Review has now been published on 14 September. This report invites the Business Board and Combined Authority Board to note this milestone in the development of the Local Industrial Strategy, provide any comment, and outline the next steps in this process. The Business Board will consider the report at its meeting on 24 September, and its views will be reported orally to the Combined Authority Board.

<u>DECISION REQUIRED</u>	
Lead Member:	Mayor, Portfolio for Economic Growth, Chair of Business Board
Lead Officer:	Harriet Fear, and John Hill, Director of Business and Skills
Forward Plan Ref: N/A	Key Decision: No
<p>Subject to the recommendations of the Business Board, the Combined Authority Board is invited to:</p> <p>(a) Note the publication of the Cambridgeshire and Peterborough Independent Economic Review (CPIER) as a major milestone in the development of our Local Industrial Strategy</p> <p>(b) Provide any initial opinions on the findings of the CPIER, in advance of the upcoming engagement sessions</p>	<p>Voting arrangements</p> <p>(a) No vote required</p> <p>(b) Simple majority of all members</p>

2.0 BACKGROUND

The Cambridgeshire and Peterborough Independent Economic Review

- 2.1. Following the agreement of the Cambridgeshire and Peterborough devolution deal it was quickly established that in order to achieve the ambitious targets for economic growth, the Combined Authority's strategies should be informed by world-class evidence and advice. The Cambridgeshire and Peterborough Independent Economic Review (CPIER) was set up by the Combined Authority, the Business Board (as the GCGP LEP), and Cambridge Ahead to provide that foundation for local growth strategies.
- 2.2. The CPIER has been led by an independent Commission, Chaired by Dame Kate Barker and made up of other leading economic, business and political figures. The Commission have engaged thoroughly across Cambridgeshire and Peterborough to inform their views, holding two rounds of open public consultation, as well as targeted sessions with local authorities and in local communities.
- 2.3. During the course of the CPIER being produced, Government has published the UK Industrial Strategy which calls for local areas to bring forward Local Industrial Strategies in line with national priorities and reflecting local characteristics.

- 2.4. The recommendations of the CPIER have been underpinned by the engagement alongside a wealth of new analysis and modelling undertaken for the Commission. This evidence brings fresh in-depth understanding of the local business community, specific issues like skills provision, and models for future land-use.
- 2.5. Government has been involved in the emerging evidence-base and findings of the Review and have commended the approach as an exemplar foundation for developing a Local Industrial Strategy.
- 2.6. The final CPIER has now been published as is available at; www.cpier.org.uk. It articulates informed views on:
 - (a) The true value and significance of the Cambridgeshire and Peterborough economy to the UK
 - (b) The characteristics, current strengths, and key future opportunities for this area
 - (c) The main threats to achieving our growth potential
 - (d) A range of policy recommendations to achieve future prosperity and inclusive growth, to the benefit of the local area and the country

Developing our Local Industrial Strategy

- 2.7. As established by the Combined Authority in May 2018, the Business Board will be the custodians of the Local Industrial Strategy. This is an important local principle to emphasise – our Local Industrial Strategy will be very much led by local industry.
- 2.8. The Business Board have already agreed (in June this year) the principles by which the Local Industrial Strategy will be developed between September and December this year, with the following key stakeholders:
 - a) Through engagement and involvement of the business and academic community, particularly including representatives from the sectors that are seen as strategic growth sectors and which align with those identified in the UK Industrial Strategy
 - b) Through the engagement and involvement of the local authorities that make up the Combined Authority, including via the regular strategic policy setting mechanisms already in place for Members and officers
 - c) In collaboration and partnership with Government, namely through the Cities and Local Growth Unit
 - d) With the involvement and engagement of public service partners that have an interest in the future growth of the area, including but not limited to the health, police and fire sector leaders represented on the Combined Authority Board

- e) In alignment with the strategic corridors which Cambridgeshire and Peterborough is a partner in, including specifically the Cambridge – Milton Keynes – Oxford corridor which is a “national trailblazer” for emerging local industrial policy

2.9. This process will now begin in earnest, and a number of sessions in October are being arranged. Leading national experts in industrial strategy Metro Dynamics have been selected through a competitive process to support this process.

2.10. The Business Board on 24 September will be asked to note the publication of the CPIER as a major milestone in the development of the LIS, and provide any comment at this point on its key findings. The Business Board’s comments will be reported to the Combined Authority Board on 26 September.

3.0 FINANCIAL IMPLICATIONS

3.1. The Combined Authority has budgeted the provision of up to £45,000 to bring in the support to engage upon and produce the Local Industrial Strategy outlined in paragraph 2.9.

4.0 LEGAL IMPLICATIONS

4.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017.

5.0 SIGNIFICANT IMPLICATIONS

5.1. No significant implications beyond those set out in the report relating to the development of the Local Industrial Strategy.

6.0 APPENDICES

6.1. None

<u>Source Documents</u>	<u>Location</u>
UK Industrial Strategy	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/664563/industrial-strategy-white-paper-web-ready-version.pdf



**CAMBRIDGESHIRE
& PETERBOROUGH**
COMBINED AUTHORITY

CAMBRIDGESHIRE AND PETERBOROUGH COMBINED AUTHORITY BOARD	AGENDA ITEM No: 3.4
26 SEPTEMBER 2018	PUBLIC REPORT

GROWTH PROSPECTUS 2018/19

1.0 PURPOSE

- 1.1. The Local Growth Fund was established by Government in 2014 and distributed across England via Local Enterprise Partnerships (LEPs) via a process known as Growth Deals. By 2021, some £12 billion will have been invested through Growth Deals.
- 1.2. The Greater Cambridge and Greater Peterborough Local Enterprise Partnership (GCGP LEP) negotiated three successive Growth Deals with Government between 2014 and 2017, securing £146.7 million to deliver new homes, jobs and skills across the LEP area.
- 1.3. Of this allocation, £75 million has been contractually committed to projects, many of which have completed or are in the final stages of construction. A further £22.8 million is provisionally allocated to five further schemes, each requiring a full Business Case for Growth funding which will be presented for consideration to the Business Board.
- 1.4. Subject to the outcome of the provisional schemes, there is just under £50 million from Growth Deal left to commit.
- 1.5. In addition to the Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region. £7 million remains, bringing the total capital funding available to just under £57 million.
- 1.6. This paper provides background and strategic context to the Growth Funds and recommends that the Combined Authority issue a Growth Prospectus in October 2018. The Prospectus will invite proposals from businesses and partners to help the Combined Authority deliver new jobs, skills and improved productivity.
- 1.7. Subject to release of funds from Government and Due Diligence processes, the Board can expect to receive applications for consideration and approval from

November onwards. Allowing time for contract negotiations, the first major new schemes should be ready to start by April 2019.

- 1.8. At its meeting on the 24 September the Business Board will be asked to approve the Prospectus and if agreed, the Combined Authority Board is asked to ratify the Business Board's decision.

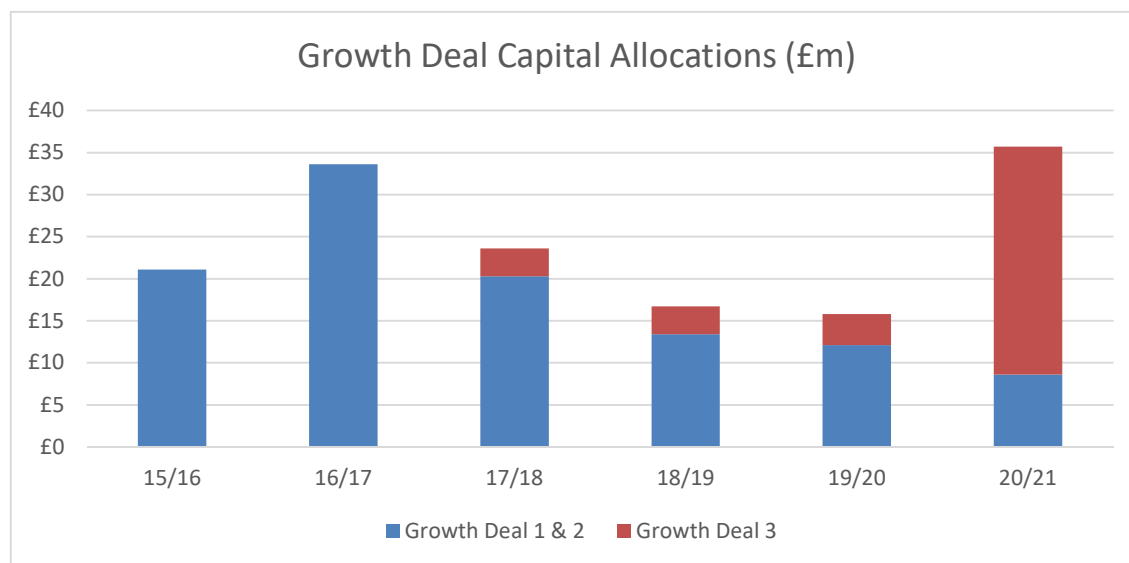
<u>DECISION REQUIRED</u>	
Lead Member:	Chair of Business Board
Lead Officer:	Harriet Fear John Hill, Director Business and Skills
Forward Plan Ref: N/A	Key Decision: Yes
<p>Subject to the recommendations of the Business Board, the Combined Authority is recommended to:</p> <p>(a) agree the draft Growth Prospectus 2018/19 and the programmes contained therein, subject to final version to be signed off by Chief Executive (Acting);</p> <p>(b) agree provisional allocations for each programme within the Prospectus, subject to review and cashflow within Growth Deal and Growing Places Fund budgets;</p> <p>(c) agree processes for due diligence and appraisal, subject to review; and</p> <p>(d) note that applications and business cases will be brought to the Business Board for consideration and recommendation to the Combined Authority, from November 2018 onwards.</p>	<p>Voting arrangements</p> <p>Simple majority of all Members</p>

2.0 BACKGROUND

- 2.1. Growth Deals provide capital funding to local economies via Local Enterprise Partnerships (LEPs) to help overcome strategic barriers to growth - from road improvements and incubator space, through to new skills facilities and space for innovation. In 2013, Government asked every LEP to negotiate a 'Growth Deal' to drive forward economic growth in their areas, having set aside £2 billion a year for six years from 2015/16 to 2020/21 in a Local Growth Fund. To guide these negotiations Government asked each LEP to express its offer through a Strategic Economic Plan.

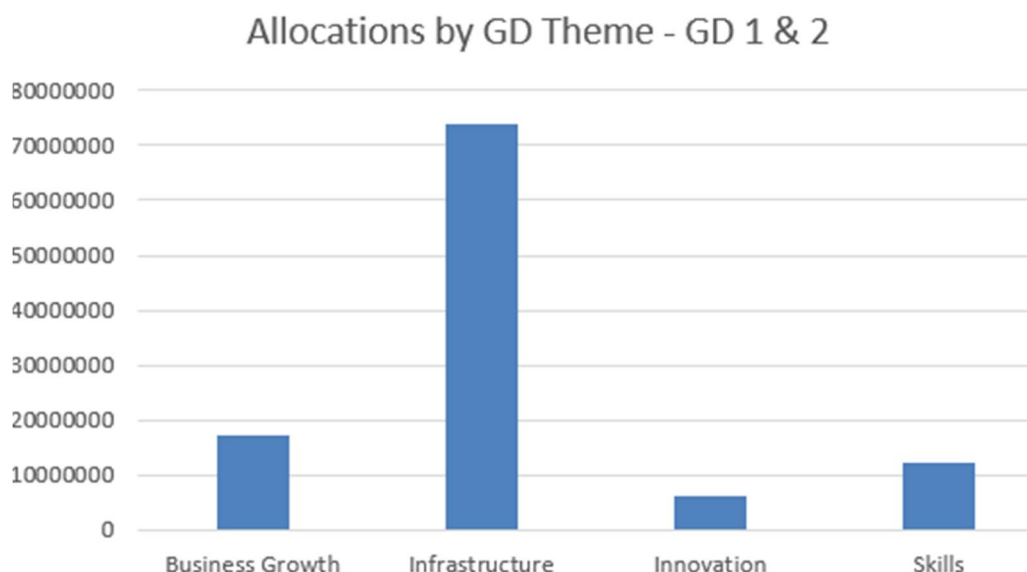
- 2.2. In July 2014, the government announced details of funding received by each LEP over the period 2015 - 2021. In January 2015, the government expanded these deals, with LEPs awarded a further £1 billion in total between 2016 and 2021.
- 2.3. The 2016 Autumn Statement confirmed the government would award a third round of Growth Deal funding, worth £1.8 billion. Of this, £556 million will be awarded to LEPs in the North of England, £392 million to LEPs in the midlands, £151 million to LEPs in the east of England, £492 million to LEPs in London and the South East and £191 million to LEPs in the South West.
- 2.4. Greater Cambridge Greater Peterborough LEP (GCGP) secured just under £110 million through Growth Deal via the first two rounds of negotiation with Government in 2014 and 2015. In 2016, GCGP submitted a programme proposal for a third allocation and was successful in securing a further £37 million, bringing the total allocation to £146.7 million.
- 2.5. Table 1) below shows how the area's allocations are spread over the six years of the programme. The programme budget is weighted towards expenditure in the final year of the programme, 2020/2021. The Growth Deal funds must be spent from 2015/16 to 2020/2021 – programme outcomes can be delivered beyond 2021.

Table 1) Greater Cambridge Greater Peterborough Growth Deal allocation by year, 2015-2021



- 2.6. Of the total allocation, £75 million has been contractually committed to projects, many of which have completed or are in the final stages of construction and a further £22.8 million is provisionally allocated to five further projects. Each of the provisional schemes need to develop a full Business Case for funding which will be presented for consideration to the Business Board in the first instance. Combined Authority programme managers are working with the project delivery leads for each provisional scheme to develop the business cases in recognition that there is pressure to fully commit the programme and ensure that the full allocation from Government can be spent by 31 March 2021.
- 2.7. The majority of Growth Deal funding allocated to date has been awarded to infrastructure and transport schemes as shown in table 2).

Table 2) Allocations by theme – Growth Deal 1 and 2



- 2.8. In addition to Growth Deal, GCGP secured £16.1m from the Growing Places Fund to establish a recyclable pot of grants and loans for projects delivering economic benefit across the region, and a significant proportion of this has been repaid. £7.8 million was part of the transfer of funds from the LEP to the Combined Authority on 1st April 2018, and of this £7m is available for allocation to new projects or other investment.
- 2.9. An updated programme position for both Growth Deal and Growing Places Fund is reported to the Business Board and Combined Authority Board every month which includes full lists of schemes and their current spend profiles. As Accountable Body for the Growth Deal funds, the Authority provides a comprehensive programme monitoring report to Government every quarter. A summary of the Q4 1718 monitoring report was included within July 2018 update paper. A summary of the Q1 1819 monitoring report will be included in the October 2018 update paper.
- 2.10. The Growth Deal allocation from Government was awarded on the basis that the funding would be used to create **22,500** jobs and **10,440** new homes. While the programme is broadly on track to deliver homes targets (subject to an external evaluation of projects' delivery), it is behind on jobs outcomes with around 12,000 jobs currently forecast through contracted schemes.

3.0 STRATEGIC CONTEXT

2030 Vision

- 3.1. The £56 million unallocated Growth funds provide the Authority and its partners with an opportunity to create thousands of new jobs, new companies and in turn improve productivity. This supports the headline devolution ambition to double GVA and all the themes within the 2030 Vision, but in particular;

- Access to a good job within easy reach of home

- A workforce for the modern world founded on investment in skills and education; and
- UK's capital of innovation and productivity.

The leading place in the world to learn, live and work



- 3.2. The Cambridgeshire and Peterborough Combined Authority and Business Board have commissioned an Independent Economic Review (CPIER) to provide a clear understanding of the priorities which will help business and political leaders to unite behind a common strategy.
- 3.3. The Review will consider how a coherent economic growth strategy can be developed for the Greater Cambridge Greater Peterborough economy, and will be used by the Combined Authority and the Business Board to inform the development of a Local Industrial Strategy and associated investments.
- 3.4. The Review is informed by an Independent Economic Commission, which includes prominent experts in the fields of business, academia and economics. An interim report was published in May 2018¹ and the final report will be reported to Board in September 2018.

Industrial Strategy / Local Industrial Strategy

- 3.5. The Government has set out a long-term plan to improve productivity and improve people's earning potential, known as the 'Industrial Strategy'. The Business Board is developing its local response to the Industrial Strategy, and the themes within this prospectus are in line with that emerging response. We have re-focused our Growth Deal programme to support local economic growth delivering new homes and jobs, improving skills levels and increasing productivity.

¹ Cambridgeshire and Peterborough Independent Economic Review interim report May 2018
<http://www.cpier.org.uk/interim-report/> Page 448 of 467

- 3.6. The programmes within the Prospectus support projects which secure our role as a leading place for innovation-led growth as well as providing quality environments for people to work, study and carry out research.
- 3.7. As new applications for Growth funds are received, they will be considered in the context of the developing Local Industrial Strategy which will be finalised in Spring 2019.
- 3.8. As shown in Table 2) Growth funds investment to date has been mainly focused on transport and infrastructure schemes, investing in city centre roads and cycleways in Peterborough, a new southern bypass at Ely and a railway crossing on the A605 at Whittlesea. It is proposed that the remaining funds be directed towards enabling **job creation, business growth and innovation**.
- 3.9. As well as these policies and strategies which guide the new Growth Prospectus, the Combined Authority has been working on its Investment Strategy which will be brought to a future meeting of the Board. The Combined Authority considered an initial paper on the Investment Strategy in July 2017. This included key principles which could be incorporated into funding approaches via the Growth Prospectus – these were;
- **Borrowing against capital** – Government has committed to grant Mayoral Combined Authorities the ability to borrow against their capital devolved funds, thereby enabling a more flexible approach to investment and multiplying the total capital available.
 - **Recycling capital** – to maximise the benefit of the Fund, recycling is key. This means recovering and reinvesting the benefits into other projects where possible, thereby maximising the ability to leverage private sector inward investment and socio-economic outputs (in some cases it will not be possible to recycle capital).
 - **Investment by way of debt or equity** – the funding approach towards individual projects will draw upon a blend of public and private sources of capital to efficiently bring projects forward. Capital can be supplied in the form of debt (fixed term basis, typically secured against the asset) or equity (recoverable via an agreed coupon and/or profit share should predetermined criteria be met).
 - **Innovative delivery models** – attract private sector and other public sector capital to the area by innovative use of Joint Venture models, partners and funding solutions.
 - **One pot principle** – with the devolution agreement, the CPCA established that all funding would be managed as a single pot – allowing the Combined Authority to align with other sources of public capital that have been allocated to the area.
 - **Maximising outputs** – measurable economic outputs founded on a robust evidence base (as will be provided by the Economic Commission) will ensure maximum benefit from the capital available. Once the Fund builds a reputation of delivering projects and economic outputs, the ability to secure additional public funding (including through further devolution) is likely to increase.

4.0 PROPOSED PROGRAMMES AND ALLOCATIONS

- 4.1. The draft Growth Prospectus 2018/19 is provided as Appendix 1. The draft requires some further detail, notably addition of case studies and some further example application forms and guidance notes. The final version will require approval by Chief Executive prior to publication.
- 4.2. Allocations per programme will not be set out within the Prospectus itself, as they may change subject to the recommendations of the CPIER and the emerging Local Industrial Strategy. Broad allocations per programme are set out in table 3) below and shown as a percentage of the funding being made available through the Prospectus.
- 4.3. Allocations have been guided by the need to direct funding toward business growth and the creation of new jobs. With our remaining funding, we will invest in projects that have an emphasis on creating new job opportunities through delivery of new employment infrastructure.
- 4.4. Provisional allocation figures are gross of a contribution to the revenue costs of administering the programmes.

Table 3) Proposed Programmes and Allocations 2018-2021

Programme	Type of investment	Provisional programme allocation £	Allocation as a % of overall funds
Small Grants Programme*	Grants between £2,000 and £20,000 to enable SMEs to invest, grow and create jobs	300,000	0.53%
Business Growth Programme	Loans between £20,000 and £3 million to support businesses to invest, grow and create jobs	9,700,000	17%
Eastern Agritech Initiative**	The Agritech programme comprises two types of fund; an Agri-Tech Growth Fund, which provides grants between £10,000 and £150,000 to support product development and improve agricultural productivity; and a Research, Development and Prototyping Fund, which helps to support the research and development of new product or processes with grants of between £10,000 and £60,000	6,000,000	11%
Skills Capital Fund	Grant support to training providers wishing to invest in specific equipment or facilities, in response to demand from local employers and in line with emerging Local Industrial Strategy. It is expected the fund will award four grants of £500k each.	2,000,000	4%
Major Projects	Loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over. We expect to make an average investment of £5,000 per job - eg., if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.	39,000,000	68%
Total		57,000,000	100%
NOTES: *£67k remains unspent from previous programme as was replaced by ERDF **New Anglia Local Enterprise Partnership provided £1 million match-funding to the previous Agritech programme and has been approached to support the new funds.			

- 4.5. The Prospectus includes a capital fund for skills projects – aimed at providing specialist equipment or infrastructure to enable activities which underpin growth in the area's key sectors.
- 4.6. As well as providing investment into business growth via a range of funding programmes outlined above, the Combined Authority is inviting applications for loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over.
- 4.7. These allocations will be reviewed as projects are approved and if it is felt necessary will be reconsidered at future meetings of the Board. The total funds available are also subject to the outcome of the development of the five schemes with provisional allocations. In an extreme scenario, should none of these schemes go forward to Business Case and be approved by the Board, a further £22.8 million would become available.
- 4.8. With just under £50 million Growth Deal funds available, we expect to deliver at least 10,000 new jobs, which equates to an average investment of £5,000 per job. For example, if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.

- 4.9. The recycled pot known as the Growing Places Fund does not have firm Government targets and so can potentially be used to support activities which do not produce as many direct jobs in the early stages, for example investment in innovation, 'spin-outs' or start-ups, but which still support the emerging Local Industrial Strategy.

5.0 PROGRAMME CRITERIA

- 5.1. Government has the following absolute requirements of Local Growth Fund investment:-

- Capital funding only
- Spend by 31 March 2021
- Invested in activities which drive growth and lead to new jobs and homes.

- 5.2. In addition to the above, the following additional CPCA criteria are proposed:-

- i) The Government has allocated Growth Deal funds to the Business Board as the Local Enterprise Partnership for the following local authority areas;
 - Cambridgeshire
 - Cambridge City
 - South Cambridgeshire
 - Huntingdonshire
 - Fenland
 - East Cambridgeshire
 - Peterborough City
 - Rutland
 - Suffolk – St Edmundsbury and Forest Heath, together referred to as West Suffolk
 - Hertfordshire – North Herts only
 - Essex – Uttlesford only
 - Lincolnshire – South Kesteven and South Holland
 - Norfolk – Kings Lynn and West Norfolk.
- ii) This prospectus is seeking applications for capital investment only. There is no revenue funding available through this prospectus.
- iii) The maximum investment to be provided as a proportion of total project cost (tpc) will vary from project to project to be determined by the Business Board. For the purpose of developing a Business Case for the Major Capital Projects, this is likely to be no more than 50%, and for business-facing funds (Small Business Grants, Business Growth Fund and Agritech) this is lower.
- iv) The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered.
- v) Start Date - the funding period for projects will run from the date of approval by the Cambridgeshire and Peterborough Combined Authority (CPCA) or as specified within the funding agreement. Projects can start

before this date, but any committed expenditure is at risk and makes no obligation to CPCA prior to funding approval.

- vi) End Date – Growth Deal funding must be spent at the latest by 31 March 2021, or earlier as specified within the funding agreement. Practical completion for projects can be a later date. Deliverability of projects will be an important factor in appraising proposals.
- vii) Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Growth Deal funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. CPCA will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.

5.3. Local Enterprise Partnerships must make investment decisions in a transparent and accountable way in accordance with Government guidance. As part of this, each LEP must produce and agree a Local Assurance Framework which sets out corporate governance processes and decision-making processes for investment. The Business Board's draft Local Assurance Framework is being considered in September 2018 but new guidance is expected from Government on Assurance in Autumn 2018.

6.0 APPLICATION, DUE DILIGENCE AND APPRAISAL

- 6.1. The application process and outline guidance are set out within the Prospectus, attached as Appendix 1 to this paper. All programmes except major capital projects will launch on 8 October 2018. Applicants are requested to contact the Combined Authority to obtain full information regarding the programme in which they are interested in applying. This enables an initial discussion with the relevant team regarding eligibility and the suitability of the proposed project. An application form for the Small Business Grants Programme is provided as an example as Appendix 2 to this paper.
- 6.2. Potential applicants for major capital projects will be required to complete an Expression of Interest (EOI) form to determine eligibility. Organisations previously expressing interest applying for in Growth Deal will be contacted to confirm that the programme has opened, and will be required to complete a new EOI if they wish to submit a new proposal. No previous EOIs or proposals will be carried forward for consideration under the new programmes.
- 6.3. Once Expressions of Interests have been received, potential applicants will then be invited to submit a full Business Case to the Authority by 30 November 2018. Business Cases for Growth Deal funding are expected to conform with Treasury 'Green Book' guidance and the 5 Case Model².

2

- 6.4. Due diligence and appraisal will be initially managed by the Combined Authority. The Assurance Framework sets out how investment decisions are made for Growth Deal funds in a transparent and accountable way. Independent Technical Appraisals will be commissioned if needed, and in particular for large and complex schemes or new models of delivery.
- 6.5. Appraised schemes and recommendations will be brought to the Business Board for consideration from November onwards. It is expected that the first major capital projects will be brought to Board in January 2019.

7.0 FINANCIAL IMPLICATIONS

- 7.1. Sufficient cash funding for the contracted capital projects within the Growth Programme was received by the CA as part of the transfer of Accountable Body responsibilities in April 2018. There is currently £2 million in headroom within the Growth Deal budget (cash at bank) before further funds are required from Government.
- 7.2. There is also some £7 million available for reinvestment within the former Growing Places recycled pot, subject to cashflow and repayment of remaining loans.
- 7.3. The Authority is awaiting its 2018/19 Growth Deal allocation of £16,705,458 which is subject to Government's satisfaction on a number of conditions relating to the new Local Enterprise Partnership and the national LEP review. There will then be a further payment from Government of £15,875,346 at the end of March 2019 in respect of financial year 2019/20, meaning the Combined Authority will hold a total Growth funds pot of £42 million at the point at which most Major Capital projects are expected to start.
- 7.4. New Growth Deal allocations will be considered in the context of this cash profile from Government – the programme's funding is 'backloaded' to the final year 2020/21 with £35,737,637 allocated to that financial year.
- 7.5. Local Enterprise Partnerships must make investment decisions in a transparent and accountable way in accordance with Government guidance. As part of this, each LEP must produce and agree a Local Assurance Framework which sets out corporate governance processes and decision-making processes for investment. The Business Board's draft Local Assurance Framework is being considered in September 2018 but new guidance is expected from Government on Assurance in Autumn 2018.

8.0 LEGAL IMPLICATIONS

- 8.1. The Combined Authority has authority under section 1 Localism Act 2011 to exercise a general power of competence. The Combined Authority can exercise this power by virtue of the Cambridgeshire and Peterborough Combined Authority Order 2017. This power permits the Combined Authority to make grants to providers in order to deliver the terms of the devolution deal signed with Government

- 8.2. The Business Board is responsible for programme direction of the Growth Funds. The Combined Authority, as the Accountable Body, maintains the legal agreements with project delivery bodies.
- 8.3. The Legal Team shall be responsible for placing any required contractual arrangements, usually through its current partnering arrangements with the Local Authorities

9.0 SIGNIFICANT IMPLICATIONS

- 9.1. The Growth Deal is a substantial funding agreement between the local area and Government, with scope for significant impacts on the growth of the local economy. Successful delivery has positive benefits to residents, businesses and workers within the Business Board area.

10.0 Appendices

10.1. Appendix 1 – Draft Growth Prospectus 2018/19

10.2. Appendix 2 - Example application form - Small Business Grants Programme

<u>Source Documents</u>	<u>Location</u>
Local Enterprise Partnerships National Assurance Framework (November 2016)	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/567528/161109_LEP_Assurance_Framework.pdf
Draft Cambridgeshire and Peterborough Devolution Monitoring and Evaluation Framework (February 2017)	http://cambridgeshirepeterborough-ca.gov.uk/assets/Combined-Authority/Monitoring-and-Evaluation-Framework.pdf
Cambridgeshire and Peterborough Independent Economic Review	http://www.cpier.org.uk/interim-report/
Treasury Green Book – Central Government Guidance on Appraisal and Evaluation	https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/685903/The_Green_Book.pdf

CAMBRIDGESHIRE AND PETERBOROUGH GROWTH PROSPECTUS 2018-19

Part One – Introduction to the Growth Funds

Introduction

Through this Prospectus, the Cambridgeshire and Peterborough Combined Authority (CPCA) invites businesses and partner organisations to support its ambitions for growth and apply to the CPCA for investment to deliver projects which will create new jobs and increase productivity.

The Growth Deal / Local Growth Fund

Growth Deals provide capital funding from the Government's Local Growth Fund to local economies via Local Enterprise Partnerships (LEPs). LEPs then invest in local projects which help overcome strategic barriers to growth - from road improvements and incubator space, through to new skills facilities and space for innovation.



HM Government

Between 2014 and 2016, the Greater Cambridge Greater Peterborough Local Enterprise Partnership successfully bid for three tranches of Local Growth Funding, via 'Growth Deals' with Government. The value of this programme is £146.7 million which must be spent between 2015 and 2021. Of this, around £98 million is committed to projects, leaving just under £50 million left to allocate.

Growth Deal is capital funding only, to be invested as loan or grant in projects or programmes which will have significant impact on growth in the LEP area.

All funding set out in the prospectus is available across the Greater Cambridge Greater Peterborough area - Cambridgeshire, Peterborough, Rutland, Kings Lynn West Norfolk, St Edmundsbury and Forest Heath (West Suffolk), North Hertfordshire, South Kesteven, South Holland and Uttlesford, Essex. This coverage may change subject to the outcome of Government's review of Local Enterprise Partnerships.

Part Two – Funds available through this Prospectus

Small Grants Programme

The Combined Authority's Small Grants Programme will support the growth of Small and Medium Enterprises (SMEs), offering grants of between £2,000 and £20,000 to support capital investment projects.

To apply for a grant you must be;

- a micro enterprise or SME that employs less than 250 people
- seeking to make a capital investment in your business, for example by purchasing new equipment or improving or expanding your premises
- planning to grow and employ more staff in the future. As a guide, for every £10,000 grant awarded we would expect to see at least one new job created.

Grants can only be issued against items that have not already been purchased or ordered. For further details please see Part Three – How to Apply.

Business Growth Programme

If seeking investment greater than £20,000 but less than £3 million, the Business Growth Programme is focused on unlocking jobs and accelerating economic growth.

Activities funded through the programme include;

- facilitating drivers of growth e.g. through loans for businesses to grow
- construction of new office, specialist (eg., lab) and general employment space
- infrastructure and access works to unlock commercial or mixed-used developments
- acceleration of delivery of Cambridge Compass and Alconbury Weald Enterprise Zones
- site servicing to support the creation of new employment space and new 'Productivity Zones'.

The Business Growth Programme will provide loan finance for capital projects – generally between £20,000 and £3 million. Projects should be able to pay back the loan in less than three years (although longer periods may be considered).

The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered. **(Include Interest Rate Matrix as Appendix – review with Finance).**

Grants may be considered in exceptional circumstances ie where applicant has no ability to accept and repay loan funding or where an activity has a State Aids exemption applied, for example innovation activity.

Please note: The Business Growth Programme carries an administration fee applicable to any successful investment award, to cover legal and technical costs of the Combined Authority. This will be proportionate to the amount of funding sought and usually be no more than £1,500. For further details please see Part Three – How to Apply.

INSERT CASE STUDY – LANCASTER WAY?

Eastern Agritech Growth Initiative

The Eastern Agritech Growth Initiative supports the development of new and innovative ideas within this important sector. The programme covers all of the LEP geography as described above PLUS all of Norfolk and Suffolk.



There are two main funds that businesses can apply for -

- an Agritech Growth Fund, which provides grants between £10,000 and £150,000 to support product development and improve agricultural productivity; and
- a Research, Development and Prototyping Fund, which helps to support the research and development of new product or processes with grants of between £10,000 and £60,000.

For further details please see Part Three – How to Apply.

(INSERT AGRITECH CASE STUDY)

Skills Capital Fund

To support the delivery of its Skills Strategy, the Combined Authority has set aside £2 million and is keen to invest in improved skills infrastructure or specialist equipment which will help to meet the needs of the area's businesses.

More detail re relationship with Skills Strategy

It is expected that the fund will support three or four projects within the LEP area. The Authority will consider applications for capital investment via loan or grant, to a maximum of 50% of total project cost.

For further details please see Part Three – How to Apply.

(INSERT CASE STUDY – CITB or WATA)



Call for Major Projects

Call Open from Monday 15th October to Friday 30th November 2018

To date, our Growth Deal programme has been mainly focused on transport and infrastructure schemes, investing in city centre roads and cycleways in Peterborough, a new southern bypass at Ely and a railway crossing on the A605 at Whittlesea.

With our remaining funding, we would like to invest in projects that have an emphasis on creating new job opportunities through delivery of new employment infrastructure. As well as providing investment into business growth via the range of funding programmes outlined above, the Combined Authority is inviting applications for loan or grant funding, or other proposed models of investment, into major capital projects seeking £3 million and over.

With the £50 million Growth Deal funds available, we expect to deliver at least 10,000 new jobs, which equates to an average investment of £5,000 per job. For example, if a project were to receive £5 million of Growth Deal investment, we would expect at least 1,000 jobs to be directly created as a result.

Project Proposals should align with the Combined Authority's 2030 Vision and the recommendations of the Independent Economic Review¹ (CPIER) and with the Authority's priorities and programmes. (INCLUDE REFERENCES WHEN FINAL CPIER AVAILABLE)

For example, the review's Interim Report has suggested that the Cambridge economy is has special features and sectors which are of national (and international) significance so project proposals might include provision of new employment infrastructure (business parks, premises) which respond to this in a particular way.

The Combined Authority is looking at the potential of developing new 'Productivity Zones' across its geography. Proposals are welcome which take this idea further. Similarly, the Authority has announced a series of Market Town masterplans which respond to a need to improve employment opportunities for people where they already live.

¹ <http://www.cpier.org.uk/interim-report/>

PART THREE - How to Apply

Key Contacts and Further Information

All programmes except the Call for Major Projects will open for new applications from 8th October 2018.

Potential applicants to programmes within this Prospectus should email GrowthFunds@cambridgeshirepeterborough-ca.gov.uk or call 01480 277180 in the first instance.

Your enquiry will be forwarded to the appropriate team to guide you through the application process.

If you are interested in applying directly to the Eastern Agritech Growth Initiative, please contact the Agritech Sector Specialist Programme Manager, Martin Lutman email martin.lutman@cambridgeshirepeterborough-ca.gov.uk or call 01480 277180.

Call for Major Projects

Call Open from Monday 8th October to Friday 30th November 2018

Organisations interested in applying via this call should email GrowthFunds@cambridgeshirepeterborough-ca.gov.uk or call 01480 277180 in the first instance.

Following the launch of the Prospectus on 8th October, prospective applicants will be asked to complete an Expression of Interest (EoI) in the first instance. Applications to this call for major projects will be to the public or private sector, or other delivery organisations for example joint ventures - provided they are of a legal entity able to enter into a funding agreement with the Combined Authority. The Authority will carry out due diligence in respect of all applications for Growth Funds.

Following Expression of Interest, the Authority will then confirm the organisation's eligibility, and request a full proposal in the form of a Business Case. Applicants proceeding to Business Case will be supported through the process to approval and contract.

The call for major projects will open on Monday 8th October and close on Friday 30th November at 17:00.

Major Projects - Guidance for Applicants

- The Government has agreed Growth Deal funds to be used for businesses and projects in the following local authority areas;
 - Cambridgeshire
 - Cambridge City
 - South Cambridgeshire
 - Huntingdonshire
 - Fenland
 - East Cambridgeshire
 - Peterborough City
 - Rutland
 - Suffolk – St Edmundsbury and Forest Heath, together referred to as West Suffolk
 - Hertfordshire – North Herts only
 - Essex – Uttlesford only
 - Lincolnshire – South Kesteven and South Holland
 - Norfolk – Kings Lynn and West Norfolk.
- This prospectus is seeking applications for **capital** investment only. There is no revenue funding available through this prospectus.
- The maximum investment to be provided as a proportion of total project cost (tpc) will vary from project to project to be determined. For the purpose of developing a Business Case, this is likely to be no more than 50%.
- The Combined Authority does not have standard interest rates for loan investment. Loan terms are calculated on a scheme by scheme basis subject to applicant's creditworthiness and security being offered. **(Include Interest Rate Matrix as Appendix – under review with Finance).**
- Start Date - the funding period for projects will run from the date of approval by the Cambridgeshire and Peterborough Combined Authority (CPCA) or as specified within the funding agreement. Projects can start before this date, but any committed expenditure is at risk and makes no obligation to CPCA prior to funding approval.
- End Date – Growth Deal funding must be spent at the latest by 31 March 2021, or earlier as specified within the funding agreement. Practical completion for projects can be a later date.
- Applicants should seek their own advice on State Aids implications of the proposed project, and evidence of this will be sought as a condition of funding. Growth Deal funding cannot be used towards State Aids or other legal costs incurred by the project delivery body as part of the application process. CPCA will not reimburse legal or other costs incurred during applications, whether the application successful or unsuccessful in seeking funding.

EXAMPLE APPLICATION FORMS

SMALL BUSINESS FUND

BUSINESS GROWTH FUND

AGRITECH PROGRAMME

SKILLS CAPITAL FUND

EOI AND BUSINESS CASE TEMPLATE FOR MAJOR PROJECTS –
INCLUDING REFERENCES TO GREEN BOOK GUIDANCE

FINAL FORMS TO BE REQUESTED FROM GROWTH HUB/CPCA TO ENABLE
INITIAL DISCUSSION WITH RELEVANT TEAM

DRAFT

Ref:

EXAMPLE FORM FOR BOARD PURPOSES

Small Grant Programme 2018 - Application Form

The Small Grants Programme 2018 provides a flexible capital subsidy to help Registered Limited Companies. Grants towards Capital expenditure are available up to a maximum of 20% of eligible costs, capped at £20,000. The minimum project cost is £10,000 (minimum grant £2,000).

Please ensure that you discuss this application with your Business Adviser, and complete ALL sections of this form before you submit it.

1. Company name			
2. Company address			
3. Contact name			
4. Contact position			
5. Phone number		6. Mobile number	
7. Email address			
8. Company number		9. VAT number	

10.	What is your expected turnover for the current or next full financial year in £ thousands	£
	In the previous two years, has your turnover been more than €50m (£40 million)?	YES NO
11.	What is your expected balance sheet value for the current or next full financial year?	£
	In the previous two years, has your balance sheet value been more than €43m (£35 million)?	YES NO
12.	How many fulltime equivalent employees do you have excluding apprentices?	YES NO
	In the previous two years, have you had more than 250 fulltime equivalent employees? *	YES NO

* Please **include**: full-time, part-time, temporary and seasonal staff.

13. Please explain how the grant will improve your profitability.

14. If you will create any new jobs as result of our support, please provide us with details:			Estimated date of post's creation
Job title or description of new post	Hours/week	Approx. annual salary	
		£	
		£	
		£	

15. Please provide a breakdown of the total expenditure required to implement the proposal, excluding VAT			
Ref	Brief description of eligible capital expenditure	Cost ex. VAT	Estimated investment date
1.		£	
2.		£	
3.		£	
Total eligible capital expenditure to be incurred		£	
State the value of Grant that you're applying for *		£	

* The value of the grant must be no more than 20% of the total ex VAT costs

16. What sources of funding – apart from our grant – will you use to fund your investment? In the *status of funding* column, please state whether it's been *agreed*, *agreed-in-principle* or *applied for*. In the Source of funding column, examples are *Company reserves*, *cash or equivalent*, *business*, *bank* or *director's loan*. Please attach details to this form before you submit it.

Source of funding	Value	Status of funding
Company reserves	£	
Loans	£	

We cannot fund purchases made with HP or lease purchase agreements

State Aid is publicly-funded help and support and it includes the grant support that we provide to you. Under our State Aid scheme, businesses can receive an absolute maximum of around £165,000 of State Aid in any three year period. For further information, please contact your Business Adviser.

Our own funding requires us to provide you with the following information. Under the EC regulation 1407/2013 (*de minimis* aid regulation) there is a ceiling of €200,000 (approximately £165,000) for all *de minimis* aid provided over a period of three fiscal years (including the fiscal year in which the grant of *de minimis* aid is to be given). Any *de minimis* aid (including our support and advice) awarded to you will be relevant if you wish to apply, or have applied, for any other grant aid. It is your responsibility to report on this and any other aid received from a public source. Failure to advise of a grant or exemption from a cost otherwise due (i.e. rate relief from public authority) could lead to the claw back of the funds plus interest.

17. Has your business received any grants or State Aid (e.g. reliefs, state-funded support or grants) in the past 3 years?				YES NO
If you answered YES , above, please complete this table (continue on a separate sheet if required):				
Date of payment	Name of the State Aid provider	Value of State Aid	Reason for payment	
/ /		£		
/ /		£		
/ /		£		
Are you currently seeking any other State Aid – for example, grants? If YES , please complete the following:				
Status of the State Aid	Name of the State Aid provider	Amount sought	What you're seeking support for	
APPLIED AWARDED		£		
APPLIED AWARDED		£		

18. Are you knowingly related to any employee of The Cambridgeshire and Peterborough Combined Authority?	YES NO
19. I've attached accounts for the most recent complete financial year or a robust business plan	YES NO
20. I've attached a forecast, on the basis that the proposal outlined is implemented in full	YES NO

Please note that due diligence is carried out on all Grant Applications – please check your answers.
 Complete and sign the declaration below, and return this form to :

The Small Grants Programme 2018
The Growth Hub
Cambridgeshire and Peterborough Combined Authority
Incubator 2
1st Floor
Alconbury Weald Enterprise Campus
Huntingdon
PE28 4WX

General Data Protection Regulation (GDPR) Regulation (EU) 2016/679

We take the protection of your personal information very seriously. As you may be aware, from 25th May 2018, the GDPR replaces the Data Protection Directive 95/46/EC and is intended to harmonise Data Privacy Laws across Europe and to protect all EU citizens and their personal data. For almost all purposes, we will continue to use your data and keep in touch with you on the basis of what the regulations call 'legitimate interest', given your existing relationship with the CPCA. The use of the Business's information may include matching to other data sources to understand more about organisations like yours and general patterns and trends, although the business's data will not be published or referred to in a way which identifies any individual or business. If your business has any questions in relation to how the information you provide, and in particular any personal data, will be processed and disclosed please contact us. We will, however, respect any preferences you have expressed, you can remove your data by informing us at any time.

The important points to emphasise are that your information is held securely; and that you can always restrict the processing of your data in any way that you may reasonably wish to.

The use of the Business's information may include matching to other data sources to understand more about organisations like yours and general patterns and trends, although the business's data will not be published or referred to in a way which identifies any individual or business. If the business has any questions in relation to how the information the business provides, and in particular any personal data, will be processed and disclosed please contact Darren.Edey@cambridgeshirepeterborough-ca.gov.uk

I confirm agreement to the above statement – YES NO

21. I confirm that the investments outlined in this form have not already been commissioned or otherwise ordered, invoiced for or secured with a deposit.

Signed		Print name	
Position		Date	/ /